U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT

Special Attention of:
All Regional Office Directors
All Field Office Directors
All CPD Division Directors

NOTICE: CPD -14-04

Issued: March 1, 2014
Supersedes: Notice CPD-13-009
This Notice is effective until it is amended, superseded, or rescinded.

SUBJECT: Implementing Risk Analyses for Monitoring Community Planning and Development Grant Programs in FY 2015 and 2016

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I. Purpose

The purpose of this Notice is to provide a consistent methodology for conducting risk analyses for Community Planning and Development (CPD) formula and competitive grantees[1] and establish monitoring priorities within available resources. This risk analysis process has been incorporated into CPD's Grants Management Process (GMP) system, a computer-based information system which is used to provide a documented record of conclusions and results.

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[1] The terms "program participant," "grantee," "participating jurisdiction" (PJ), and "recipient" all refer to the entity that receives the Federal award directly from HUD and are used interchangeably in this Notice.

This Notice is intended to augment the Departmental policy contained in Handbook 1840.1, Rev-3, *Departmental Management Control Program*, which requires the development of risk-based rating systems for all programs, and Handbook 6509.2 REV-6, *Community Planning and Development Monitoring Handbook*. The major steps for implementing risk-based monitoring include:

- Developing risk-based rating systems for program grantees;
- Rating and selecting grantees for monitoring;
- Identifying program risks and setting monitoring objectives; and
- Documenting the process and recording the rationale for choosing grantees.

Each Field Office will perform the risk analysis using the methodology described in this Notice. The Evaluator (CPD Representative, Financial Analyst or Specialist) and Management Representative (CPD Director, Deputy Director, or Program Manager) have specific responsibilities for worksheet review and information update for each grantee.

II. Background

Each CPD Field Office is responsible for developing an office work plan with monitoring strategies encompassing CPD grantees and programs to be monitored during the fiscal year. Headquarters establishes the completion dates for risk analysis and work plans each fiscal year. The purpose of a monitoring strategy is to define the scope and focus the monitoring efforts, including establishing a framework for determining the appropriate level of monitoring for CPD grantees consistent within available resources. The work plan documents the Field Office decisions regarding where to apply staff and travel resources for monitoring, training and/or technical assistance.

Risk analysis provides the information needed for CPD to effectively target its resources to grantees that pose the greatest risk to the integrity of CPD programs, including identification of the grantees to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. The selection process should result in identifying those grantees and activities that represent the greatest vulnerability to fraud, waste, abuse, and mismanagement.

Moreover, this risk analysis Notice reflects an updated risk analysis methodology that has been developed by the Grants Management Process (GMP) working group. Each of the program offices, as part of the working group, has reviewed the Office of Policy Development & Research's (PD&R's) study from 2009 entitled *Risk-Based Monitoring of CPD Formula Grants*, the 2012 study by The Cloudburst Group (NCR Project #NP8620101015), and various GMP reports to examine what findings and concerns their programs have generated. The working group discussed factors, subfactors, symptomatic causes in program performance, reacted to drafts presented by the program offices, and subsequently developed this revised Notice, which is designed to reduce the number of subfactors, minimize definitional differences among the programs, and use, to the greatest extent feasible, subfactors which can be autopopulated using data from existing information technology (IT) systems available to CPD. [Note: An additional column to identify data to be autopopulated in the GMP Monitoring Module system has been added to the Risk Analysis Worksheets, indicating either that the subfactor can be automated

(Yes), can't be automated (No); or there is information available in another system for the Representative to assess (Flag) .]

III. Frequency of Risk Analysis

The Notice reflects a biennial assessment period and provides policy guidance for fiscal years 2015 and 2016. For FY 2016, field offices will conduct an updated review of the risk analysis results for FY 2015. This updated review will be incorporated into GMP under the "Risk Analysis" module for the respective grantee and grant program(s).

IV. Applicability

Field Offices will apply the risk analysis process to the formula and competitive grant programs listed below. For 2015 and 2016, the NSP-1, NSP-2, and NSP-3 grant programs will remain combined in regards to the use of the Attachment A-3 risk analysis worksheet and the summary worksheet at Attachment B-3. Also, the Community Development Block Grant Disaster Recovery Program (CDBG-DR) remains in this Notice for two reasons: first, to provide further guidance to the Field Offices on how to evaluate risk with CDBG-DR grants; and second, to provide a consistent risk analysis tool for all CDBG-DR grants, irrespective of whether they are managed by the Field Offices or by Headquarters.[2] CDBG-DR reviewers will use the Attachment A-2 risk analysis worksheet and the summary worksheet at Attachment B-2.

<u>Formula</u>

- Community Development Block Grant Program (CDBG)
- Community Development Block Grant Disaster Recovery Program (CDBG-DR)
- Neighborhood Stabilization Program-1 (NSP-1)
- Neighborhood Stabilization Program-3 (NSP-3)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grants Programs (ESG)
- Housing Opportunities for Persons With AIDS Program (HOPWA)

<u>Competitive</u>

- Neighborhood Stabilization Program-2 (NSP-2)
- Housing Opportunities for Persons With AIDS (HOPWA)
- Shelter Plus Care (S+C)
- Supportive Housing (SHP)
- Section 8 Single Room Occupancy Moderate Rehabilitation (SRO)
- Rural Housing Stability Assistance Program (RHSP) [3]
- Continuum of Care (CoC)

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[2] CDBG-DR grants managed by HQ will be maintained by HQ Office of Block Grant Assistance's Disaster Recovery & Special Issues Division.

[3] This program is expected to have active grants by FY 2015.

V. Risk Categories and Criteria

All CPD program risk analyses are standardized for formula and competitive grantees and use a quantifiable rating system. Based on a 100-point rating scale, grantees are assigned one of three risk categories: High risk – a total score of 51 or more; Medium risk – a score between 30–50; and Low risk – a score of less than 30. Risk analysis factors are consistent with the Departmental factors outlined in the *HUD Monitoring Desk Guide: Policies and Procedures for Program Oversight*:

- Grant Management;
- Financial Management;
- Services & Satisfaction, and
- Physical.

The subfactors used for each risk factor include the areas listed below with some variation among the CPD Programs, based on each program office's specific determinants of risk.

1. Grant Management
   a. Grantee Reporting
   b. Grantee Staff Capacity and Program Design
   c. Grantee Program Complexity
   d. Grantee Findings (Monitoring and Office of Inspector General (OIG)) and Sanctions
   e. Grantee's Management of Subrecipients
   f. Grantee Cross-Cutting Requirement Compliance

2. Financial Management
   a. Grantee Financial Staff Capacity
   b. Monitoring Finding Resulting in Repayment or Grant Reduction
   c. Grant Amount
   d. Grantee Program Income
   e. Grantee A-133 Audits

3. Services & Satisfaction
   a. Grantee Citizen Complaints or Negative Media Exposure
   b. Grantee Responsiveness

4. Physical
   a. Physical Condition of Properties

As with previous risk analysis notices, factor four, Physical, does not apply to the worksheets for CDBG, CDBG-DR, and NSP.

VI. Risk Analysis Process

Risk Analysis consists of two steps:

1. Rating:
    - Assessing and recording risk for each grantee by the Evaluator; and
    - Reviewing results by Management; and
2. Ranking:
    - Ranking grantees by risk, from highest to lowest;
    - Determining monitoring exceptions; and
    - Certifying results.

The results of this two-step process provide the basis for developing the office work plan and individual grantee monitoring strategies. This includes: identifying which grantees will be monitored; method of monitoring (on-site or remote); programs and areas to be monitored; type of monitoring (in-depth or limited); areas of technical assistance and training needed; resources needed; and projected timeframes.

Each factor and its relevant subfactors are assigned a level of risk: high, medium or low. **High-Risk areas identified during the risk analysis process should be incorporated into the grantee's Individual Grantee Monitoring Strategy in the GMP area(s) to be reviewed, being based on the programmatic themes of the factors or subfactors, during monitoring.** Strategies should also include monitoring Exhibits that are planned to be used during the review (see Attachment E-1). All individual grantee monitoring strategies should be documented in GMP under the appropriate heading (see Section VII).

Step 1 – Rating Grantees

Timing of Risk Analysis Process: The CPD Director will have the opportunity to choose one of the following options for the timing of the risk analysis rating process.

- A preliminary rating may be performed during a grantee's scheduled program year performance cycle while reviewing documents such as Consolidated Annual Performance and Evaluation Reports (CAPERs) or Performance Evaluation Reports (PERs). At the end of the fiscal year, prior to the official ranking process, the preliminary grantee ratings would then require only brief updates to take into consideration any subsequent issues identified for a grantee since the initial performance rating period. Examples of subsequent issues would include timeliness, audit reports, or the results of monitoring visits not previously incorporated**.**
- Alternately, the Field Office may choose to perform the entire rating process for all grantees immediately prior to ranking at the beginning of the federal fiscal year.

Evaluator: The Evaluator will review and rate each program administered by a grantee.

The risk analysis process begins with a review of each grantee against a pre-determined set of criteria. This review of each grantee's program(s) provides the basic knowledge needed to rank each grantee. In completing this review, various sources of information are used including data obtained from the Integrated Disbursement and Information System (IDIS), Disaster Recovery Grant Reporting System (DRGR), e-SNAPS,

CAPERS and PERs, prior monitoring visits, audits, and citizen complaints. Special attention should be given to recent audits with findings, compliance with program expenditure requirements established by the Department, and fair housing/civil rights issues.

Formula programs are evaluated using criteria outlined in Attachments A-1 (for CDBG), A-2 (for CDBG-DR), A-3 (for NSP – Formula and Competitive), A-4 (for HOME), A-5 (for ESG), and A-6 (for HOPWA). Competitive programs are evaluated using criteria outlined in Attachment A-7. A grantee is to be evaluated using criteria for each program type it administers. For example, if a grantee administers S + C and SHP programs, the grantee's risk will be evaluated for both programs separately: one analysis for S + C, and one analysis for SHP. For the NSP and CDBG program, however, certain subfactor scores will be shared if it is the same grantee. For example, if the same grantee has both NSP and CDBG, and it receives a high score for the Grant Management subfactor *Grantee Staff Capacity and Program Design* under CDBG, that same score will be applied to NSP under that grantee.

The risk analysis covers all "active" grants. An active grant is defined as any grant within the field office's portfolio not closed out at the start of the risk analysis review process. When evaluating each grantee against program criteria, the results will be recorded and documented in GMP in the Risk Analysis Module.

Management Review: After the Evaluator has completed documenting the risk analysis results for each grantee in GMP, a Management Representative begins the review and certification process. The role of the Management Representative is to provide quality control to ensure validity and consistency through an assessment of each Evaluator's ratings and comments. The Management Representative reviews each risk analysis worksheet and completes the certification process with his/her electronic or manual signature. The results of the worksheets are entered into GMP.

Step 2 – Grantee Ranking and Selection

After all worksheet information has been entered into GMP, the automated system provides the results in two composite lists; one for formula and one for competitive grantees (see Attachments C-1 and C-2). Grantees on both lists will be ranked in descending order, from highest to lowest risk. The Management Representative will then begin the exception process starting with the Composite Summary Sheet.

For FY 2015, the Management Representative will have five exception categories to deviate from monitoring grantees in rank order. **A grantee cannot be skipped over for monitoring without identifying an appropriate exception.** The five exceptions that will be included in GMP consist of the following: A – The Office of Inspector General is currently conducting an audit of the high-risk grantee and/or high-risk program(s); B - High-risk grantee and/or high-risk program(s) were monitored within the last two years; C – Grantee will be provided technical assistance or training in current Fiscal Year; D – A grant program is selected to be monitored as a discretionary selection; and X – Other.

Exception Code X (Other) is used to document specific circumstances: when two or more grant programs are assessed high risk and not all of the high risk programs require monitoring in the current fiscal year because one or more of the high risk programs were monitored during the last two years; and, to identify the specific high risk program(s) for which the Office of Inspector General is conducting an audit (when the OIG is not conducting a full review of all of the programs). Additionally, Exception Code X (Other) is used to document specific circumstances when grant programs will not be monitored in the current fiscal year. Examples of how to document Exception Code X (Other) are provided as follows:

- CDBG and HOME grant programs were assessed high-risk but HOME was monitored in the last two years; CDBG will be monitored this fiscal year.
- The OIG is conducting an audit of the HOME program; however, CDBG will be monitored this fiscal year.
- This medium/low risk grantee will not be monitored this fiscal year.

For any grantee with an average risk score of 51 or higher and/or a single program score of 51 or higher, the only allowable exceptions the Management Representative can apply are Exceptions A - The Office of Inspector General is currently conducting an audit of the high-risk grantee and/or high-risk program(s) or B – High-risk grantee and/or high-risk program(s) were monitored within the last two years. Exception Code D (Discretionary Monitoring) is used to document specific circumstances when a grant program is selected to be monitored as a discretionary selection. Exception Code X should only be used to document high risk based on the descriptions provided above.

Additional Considerations:

a) Field offices have two options available to them in selecting grantees to monitor:
   i) The 100% Option: Select 100% of grantees in rank order for monitoring; or
   ii) The 70/30% Option: Select the first 70% of the grantees in rank order, with the remaining 30% being selected at the discretion of the Management Representative.

b) Those grantees with total average scores of 51 or higher are to be further reviewed by the Management Representative to determine if Exception A or B is applicable. For grantees determined to be high-risk, but not scheduled for monitoring during the current Fiscal Year, the Management Representative must annotate them as Exception A or B on the Composite Summary Worksheet for the applicable program type (on either Attachment C-1or C-2).

c) In addition, any grantee with a single program score of 51 or higher must be reviewed and considered for on-site monitoring. Exception A or B can only be used if the high-risk program(s) is currently under audit review by the Office of Inspector General (OIG) or has been reviewed on-site in the last two years. The Management Representative must annotate grantees with single program scores of 51 or higher not scheduled for on-site monitoring as Exception A or B on the Composite Summary Worksheet for applicable program type (on either Attachment C-1 or C-2).

d) If the Field Office selects option a)ii) above (the 70/30% option), the Management Representative must use applicable exceptions when determining the 70% of grantees that are in rank order. For the 30%, the Management Representative must use exception X (Other) and document an exception (e.g., discretionary monitoring of the HOME program).

e) The appropriate Fiscal Year Operating Plan national goal must be applied to determine the total number of grantees to be monitored for the fiscal year.

f) In-depth monitoring as defined in Chapter 1, Paragraph 1-6.D of Handbook 6509.2 REV-6, must be completed for high-risk grantees and high-risk programs selected for on-site monitoring. Limited monitoring, as defined in Chapter 1, Paragraph 1-6.E of Handbook 6509.2 REV-6, may be performed for medium- and low-risk grantees selected for monitoring on-site or remotely.

g) Depending on the availability of travel resources, a limited number of non-high risk grantees should be monitored to validate the soundness of the rating criteria as well as possibly obtain early warnings of potentially serious problems. Remote monitoring can be used as well to monitor non-high risk grantees.

h) Although Field Offices use risk analysis as their primary monitoring basis, they may also identify other areas needing special emphasis during monitoring based on national program reviews and evaluations by Congress, the U.S. Office of Management and Budget (OMB), or the HUD OIG.

i) When developing individual monitoring strategies, CPD Monitoring Handbook Exhibits should be selected based upon the areas of risk identified by grantee and program. Attachment E-1 provides a breakout of Handbook Exhibits by the risk analysis factors.

VII. Individual Grantee Monitoring Strategy

Chapter 2-5 A. of the CPD Monitoring Handbook 6509.2 REV-6 provides guidance on the development of individual grantee monitoring strategies. The individual grantee monitoring strategy defines the scope of monitoring for each grantee selected for monitoring and focuses the monitoring effort to maximize the effectiveness of the review. To be effective, the contents of the individual grantee monitoring strategy must identify the following:

1. the programs/areas/functions to be reviewed, including a brief discussion of the high-risk factor(s) identified through the risk analysis process;
2. data or information to be submitted by the program participant prior to monitoring (if any);
3. the names of any participant staff members who will need to be consulted during the monitoring;
4. anticipated staff who will conduct the monitoring (e.g., CPD Representatives and, if participating, any Specialists);
5. clearly defined areas of responsibilities for each reviewer (to avoid duplication) if more than one staff person will be conducting the monitoring;
6. a schedule for carrying out the monitoring tasks and the anticipated time frames;
7. required resources (e.g., travel funds if on-site; time needed if remote); and

8. the planned *CPD Monitoring Handbook 6509.2* Exhibits that are selected based upon the areas of risk identified by grantee and program.

The Individual Grantee Monitoring Strategy must be summarized and documented in GMP in the work plan module under the tab **"Individual Work Plan Strategy/Rationale"**. Timely and concise written documentation of the individual grantee monitoring strategy is an important tool for management use in assessing planned grantee actions against accomplishments.

VIII. Recordkeeping

All results of the risk analysis process are to be fully documented in GMP, and records maintained in accordance with Departmental policy. Each Field Office must be able to document and justify its rankings and management decisions. The documented results to be recorded in GMP (with any exceptions noted) consist of:

- Grantee Risk Analysis Worksheets (Attachments A-1, A-2, A-3, A-4, A-5, A-6, and A-7) that provide criteria for evaluation of grantee risk by program area, evaluation comment and electronic certification in GMP.
- Grantee Summary Risk Analysis Summary Worksheets (Attachments B-1, B-2, B-3, B-4, B-5, B-6, and B-7) that provide grantee's program scoring results by factor and subfactor.
- Formula Composite Summary Worksheet and Competitive Composite Summary Worksheet (Attachments C-1 and C-2) that provide composite summary results of all grantees and programs.
- Formula and Competitive Exception Reports (Attachments D-1 and D-2) which provide reports that detail exception codes and reasons for any exception(s).

Special instructions regarding NSP-2, NSP-3 Non-Entitlement grantees, and CDBG-DR grantees that are not in IDIS, as implemented in the competitive side of GMP, are as follows:

- NSP-2 – as noted in Section IV. Applicability, if the grantee has received an NSP-1 and/or NSP-3 allocation, and additionally received an NSP-2 allocation, the NSP-2 grantee will need to be entered into the competitive side of GMP, using the same score and worksheet as Attachment A-3 reviews all of the NSP grants a grantee may have. If the grantee has just received NSP-2, it should be entered into the competitive side of GMP, scored and documented accordingly.

- NSP-3 Non-Entitlement – these grantees should be entered into the competitive side of GMP, scored using Attachment A-3 and documented accordingly.

- CDBG-DR Non-IDIS – these grantees should be entered into the competitive side of GMP, scored using Attachment A-2 and documented accordingly.

IX. Work Plans

As a result of assessing those grantees that pose the greatest risk, and program areas in need of improvement, an annual work plan will be developed in accordance with the guidance provided in Chapter 2 of Handbook 6509.2 REV-6. This work plan must be documented into GMP under the Work Plan Module and include the identification of:

- Grantees scheduled for monitoring;
- The programs or functions to be monitored (including lead-based paint, limited civil rights; flood insurance; and relocation reviews);
- Method and Type of monitoring, e.g., on-site or remote and in-depth or limited;
- Scheduled timeframes for monitoring; and
- Resources needed, such as staff, travel, etc.

Work plans also include:

- Technical assistance and training to be provided to grantees; and
- Other grantees that need to be addressed as part of the annual work plan.

X. Contact Information

Questions regarding the content of this Notice may be directed to Renee Ryles, Director, Office of Field Management, (202) 402-4609.

Attachment A-1

Community Development Block Grant (CDBG) Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include: Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and unresolved findings; or problems such as open or stalled activities, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following reports and reporting systems should be considered, including but not limited to: Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Performance and Evaluation Reports (PERs), Technical Assistance Plans, the Integrated Disbursement and Information System (IDIS), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.5, and related reporting mechanisms and systems.

The Evaluator should award point values to subfactors A through G. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Reporting Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained in the Consolidated Plan, Annual Action Plan, and Consolidated Annual Performance and Evaluation Report (CAPER), or Performance and Evaluation Report (PER).					
i. Grantee has not been timely in submitting at least two reports within the last three years; OR at least two reports have not been complete and/or accurate.	High	4			No – Also shared subfactor with NSP
ii. Grantee has submitted at least one report within the last three years that has not been complete, timely, and/or accurate.	Medium	2			
iii. Within the last three years, the grantee has been timely with submitting its reports, and they have been complete and accurate.	Low	0			
B. Grantee Staff Capacity and Program Design Criteria: Risk is based on current grantee staff capacity and its ability to ensure programmatic compliance with the CDBG regulations, fulfill all grantee obligations, and design a program appropriate to the level of its capacity.					
i. During the last three program years, the grantee has experienced turnover in at least one key position within its program administration AND the program the grantee has designed is more complex than the current capacity and programmatic knowledge of its staff.	High	14			No
ii. Grantee has designed a program that is more complex than the current capacity and programmatic knowledge of its staff.	Medium	8			
iii. Grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge.	Low	0			
C. Grantee Program Complexity Criteria: Risk is based on the complexity of the grantee's program design, primarily the number and variety of					

activities the grantee is undertaking, and whether these are new to its program and may pose a challenge to the grantee's staff in compliance and reporting. The grantee's application intake and complexity should also be considered.					
i. Grantee has designed a program that implements four or more types of activities; OR has implemented at least two new activities in its program (considering the last three years) AND has a highly complex application intake system (e.g., multiple cycles or competitions).	High	10			No
ii.Grantee has designed a program that implements three or fewer types of activities, AND requires a highly complex application intake system that may strain resources.	Medium	6			
iii.Grantee has designed a program that appears to suit the level of staff capacity and has an application intake system that is manageable.	Low	0			
D. Grantee Open or Stalled Activities Criteria: Risk is based on the number of or percentage of grantee's open activities that appear on the IDIS PR59 report, CDBG Activities at Risk.					
i. Grantee has 6 or more activities OR at least 10% of its open activities appear on the PR59 report. (Score based on whichever variable the grantee triggers first.)	High	4			Yes
ii.Grantee has between 1 and 5 activities OR at least 5% of its open activities appear on the PR59 report. (Score based on whichever variable the grantee triggers first.)	Medium	2			
iii. Grantee has no activities that appear on the PR59 report.	Low	0			
E. Grantee Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three years; the grantee's past performance regarding the number of open, overdue, and unresolved findings; OR sanctions have been imposed; OR grantee has not been monitored within the last three years.					
i. Within the last three years, the grantee has received two	High	10			Flag

or more findings that are still open, overdue and unresolved; OR sanctions have been imposed on the grantee; OR grantee has not been monitored within the last three years.					
ii. Within the last three years, the grantee has received one finding that is still open, overdue and unresolved; OR has had imposed sanctions removed from the grantee.	Medium	6			
iii. None of the above conditions exist.	Low	0			
F. Grantee's Management of Subrecipients Criteria: Risk is based on the grantee's management of its subrecipients.					
i. Grantee (including states for its state recipients) has demonstrated a lack of management over its subrecipients. This has been demonstrated by, including but not limited to, the lack of a program monitoring schedule, late or inaccurate reporting on activities and/or projects, missing or inaccurate accomplishments being reported in IDIS, its recordkeeping system, HUD management monitoring findings within the last three years, etc.	High	8			No
ii. Grantee uses subrecipients and, for state grantees, the use of subgrantees to help administer the program.	Medium	5			
iii. None of the above conditions exists.	Low	0			
G. Grantee Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the grantee has received a monitoring finding within the last three program years regarding the CDBG cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).					
i. Within the last three program years, the grantee has received one or more findings on any of the CDBG cross-cutting programmatic requirements.	High	2			Yes
ii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Grant Management Assessment (Max. 52 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Section 108 Loan Guarantees, Brownfields Economic Development Initiative (BEDI) grants, Economic Development Initiative (EDI) grants, grantee's financial records, timeliness standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

The Evaluator should award point values to subfactors A through G. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Financial Staff Capacity Criteria: Risk is based on current financial staff capacity of the grantee regarding its ability to ensure financial management practices that are compliant with the CDBG regulations and applicable OMB circulars.					
i. During the last three program years, as evidenced though information available (e.g., audits, citizen correspondence, previous HUD monitorings, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the CDBG program AND has had one or more violations or deficiencies of the applicable regulations or OMB circulars.	High	8			No
ii. During the last three program years, as evidenced as described in subfactor (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the CDBG program AND has not had any violations or deficiencies of the applicable regulations or OMB circulars.	Medium	4			
iii. During the last three program years, financial management staff has been able to demonstrate sufficient	Low	0			

knowledge or skill sets regarding the CDBG program AND has had no violations or deficiencies in the aforementioned areas.					
B. Monitoring Finding Resulting in Repayment or Grant Reduction Criteria: Risk is based on all findings within the last three program years, whether CDBG or OIG, where the grantee has been required to make a repayment or received a grant reduction, either for an individual program year or summation of the last three program years. It is also based on whether sanctions suspending activities have been applied (e.g., ED loans that must receive HUD approval before given).					
i. Within the last three program years, grantee has had to repay programmatic funds or received a grant reduction in an amount over $250,000; OR equal to or greater than 25% of a year's grant allocation, either for an individual program year or summation of the last three program years; OR sanctions have been applied that result in the suspension of activities by the grantee.	High	12			Flag
ii. Within the last three program years, grantee has had to repay programmatic funds or received a grant reduction in an amount less than $250,000; OR less than 25% of a year's grant allocation, either for an individual program year or summation of the last three program years.	Medium	6			
iii. Grantee has not had to repay programmatic funds or has not had a grant reduction within the last three program years.	Low	0			
C. CDBG Grant Amount Criteria: Risk is based on the absolute amount of the grantee's CDBG grant. For the most recent program year, grantee was awarded CDBG funds in the amount of:					
i. $15 million or greater.	High	12			Yes
ii. At least $7.5 million but less than $15 million.	Medium	8			
iii. Less than $7.5 million.	Low	0			
D. Grantee Program Income Criteria: Gross program income received by the grantee, State recipient(s), or subrecipient(s) generated by the use of CDBG funds for the most recently completed program year.					

i. The grantee, State recipient(s), or its subrecipient(s) received $250,000 or greater.	High	4			Yes
ii. The grantee, State recipient(s), or its subrecipient(s) received less than $250,000.	Medium	2			
iii.The grantee, State recipient(s), or its subrecipient(s) has not generated any program income.	Low	0			
E. Grantee A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 program audits for recipients of federal funds that expend in excess of $500,000 on an annual basis, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the grantee has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee's program year.					
i. During the last three program years, the grantee has not been timely in its submission of the required A-133 audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.	High	4			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
F. Grantee's Portfolio Includes RLF(s) or Float-Funded Activities Criteria: Risk is based on the grantee's portfolio containing one or more Revolving Loan Funds or Float-Funded Activities.					
i. Grantee's portfolio includes RLF(s) or float-funded activities within the past three program years (including state recipients' portfolios).	High	2			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
G. Grantee's Portfolio Includes Section 108 Loan and/or BEDI/EDI Criteria: Risk is based on the grantee's portfolio containing a Section 108 loan or a Section 108 loan that is coupled with a BEDI and/or EDI grant.					
i. Grantee's portfolio includes at least one Section 108 Loan that is coupled with a BEDI or EDI grant within the past three program years.	High	3			No

ii. Grantee's portfolio includes at least one Section 108 Loan.	Medium	1			
iii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Financial Management Assessment (Max. 45 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Performance and Evaluation Reports (PERs), and automated tracking systems.

The Evaluator should award a point value to subfactors A and B. Choose only one risk score for this subfactor from the point values listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Citizen Complaints or Negative Media Exposure Criteria: Risk is based on citizen complaints received or negative media exposure to its program.					
i. Citizen complaints have been received within the last three program years through such sources as citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., and the grantee was found to be in violation of CDBG requirements.	High	2			No
ii.Citizen complaints have been received within the last three program years through such sources as citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., and the grantee was not found in violation of CDBG requirements; OR no citizen complaints have been received during the most recently completed program year as described in (i).	Low	0			
B. Grantee Responsiveness Criteria: Risk is based upon grantee's timely response to citizen complaints received.					
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes within the last three program years.	High	1			No

ii.Grantee has responded to complaints and/or citizen inquiries within the prescribed timeframes; OR has not received any complaints forwarded through HUD in the last three program years.	Low	0			
Subtotal for Services & Satisfaction Assessment (Max. 3 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	52	
2. Financial Management	45	
3. Services & Satisfaction	3	
Factor Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

<u>Exceptions for Management Representative:</u>

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last three program years prior to this risk analysis.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
D. Discretionary Monitoring.
X. Other.

CPD Management Representative(s) _____ Date: _____

Attachment A-2

Community Development Block Grant Disaster Recovery Program (CDBG-DR)
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include: Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and unresolved findings; or problems such as completion of activities, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following reports and reporting systems should be considered, including but not limited to: Action Plans, Quarterly Performance Reports (QPRs), Technical Assistance Plans, Disaster Recovery Grant Reporting (DRGR), Analysis of Impediments to Fair Housing Choice, Office of Inspector General (OIG) audits, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and related reporting mechanisms and systems.

The Evaluator should award point values to subfactors A through F. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Reporting Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to the completeness and accuracy of information contained in the Action Plan and Quarterly Performance Report (QPR).					
i. Grantee has not been timely in submitting at least two reports within the last three grant years; OR at least two reports have not been complete, timely, and/or accurate.	High	8			Flag
ii.Grantee has submitted at least one report within the last three grant years that has not been complete and/or accurate.	Medium	4			
iii. Within the last three grant years, the grantee has been timely with submitting its reports, and they have been complete and accurate.	Low	0			
B. Grantee Staff Capacity and Program Design Criteria: Risk is based on current grantee staff capacity and its ability to ensure programmatic compliance with the CDBG-DR regulations, fulfill all of its obligations as a grantee, and design a program appropriate to the level of its capacity.					
i. During the last three grant years, the grantee has experienced turnover in at least one key position within its program administration AND the program the grantee has designed is more complex than the current capacity and programmatic knowledge of its staff.	High	14			No
ii.Grantee has designed a program that is more complex than the current capacity and programmatic knowledge of its staff.	Medium	10			
iii. Grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge.	Low	0			
C. Grantee Program Complexity Criteria: Risk is based on the complexity of the grantee's program design, primarily the number and variety of					

activities the grantee is undertaking and whether these are new to its program and may pose a challenge to the grantee's staff in regards to compliance and reporting. Also, the grantee's application intake complexity should be considered.					
i. Grantee has designed a program that implements four or more types of activities; OR has implemented at least two new activities in its program (considering the last three grant years), AND has a highly complex application intake system.	High	10			No
ii. Grantee has designed a program that implements three or fewer types of activities, AND requires an application intake system that may strain resources.	Medium	6			
iii. Grantee has designed a program that appears to suit the level of staff capacity and has an application intake system that is manageable.	Low	0			
D. Grantee Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three grant years; the grantee's past performance in regards to the number of open, overdue, and unresolved findings; OR sanctions have been imposed; OR the grantee has not been monitored within the last three grant years.					
i. Within the last three grant years, the grantee has received two or more findings that are still open, overdue, and unresolved; OR sanctions have been imposed on the grantee; OR grantee has not been monitored within the last grant three years.	High	10			Flag
ii.Within the last three grant years, the grantee has received one finding that is still open, overdue, and unresolved; OR has had imposed sanctions removed from the grantee.	Medium	6			
iii. None of the above conditions exist.	Low	0			
E. Grantee's Management of Subrecipients Criteria: Risk is based on the grantee's management of its subrecipients.					
i. Grantee (including states for its state recipients) has demonstrated a lack of management over its	High	8			No

subrecipients. This has been demonstrated by, including but not limited to, the lack of a program monitoring schedule, late or inaccurate reporting on activities and/or projects, missing or inaccurate accomplishments being reported in DRGR, its recordkeeping system, HUD management monitoring findings within the last three grant years, etc.					
ii.Grantee uses subrecipients and, for state grantees, the use of subgrantees to help administer the program.	Medium	6			
iii. None of the above conditions exists.	Low	0			
F. Grantee Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the grantee has received a monitoring finding within the last three grant years regarding the CDBG-DR cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).					
i. Within the last three grant years, the grantee has received one or more findings on any of the CDBG-DR cross-cutting programmatic requirements.	High	2			Yes
ii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Grant Management Assessment (Max. 52 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT:

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Disaster Recovery Grant Reporting System (DRGR), audit management systems, A-133 audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Disaster Recovery Enhancement Fund (DREF), grantee's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

The Evaluator should award point values to subfactors A through G. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 - FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated?Yes/No**
A. Grantee Financial Staff Capacity Criteria: Risk is based on current financial staff capacity of the grantee in regards to its ability to ensure financial management practices that are compliant with the CDBG-DR regulations and applicable OMB circulars.					
i. During the last three grant years, as evidenced though information available (e.g., audits, citizen correspondence, previous HUD monitorings, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the CDBG-DR program AND has had one or more violations or deficiencies of the applicable regulations or OMB circulars.	High	8			No
ii. During the last three grant years, as evidenced as described in subfactor (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the CDBG-DR program AND has not had any violations or deficiencies of the applicable regulations or OMB circulars.	Medium	4			
iii. During the last three grant years, financial management staff has been able to demonstrate sufficient knowledge or skill sets regarding the CDBG-DR program AND has had no violations or deficiencies in the aforementioned areas.	Low	0			
B. Monitoring Finding Resulting in Repayment or Grant Reduction Criteria: Risk is based on all findings within the last three grant years, whether CDBG-DR or OIG, where the grantee has been required to make a repayment or received a grant reduction, either for an individual grant year or summation of the last three grant years; also, whether sanctions suspending activities have been applied (e.g., ED loans that must receive HUD approval before given).					
i. Within the last three grant years, grantee has had to repay programmatic funds or received a grant reduction in an amount over $1,000,000; OR equal to or greater than 25%	High	12			Flag

of its grant allocation, either for an individual grant year or summation of the last three grant years; OR sanctions have been applied that result in the suspension of activities by the grantee.					
ii. Within the last three grant years, grantee has had to repay programmatic funds or received a grant reduction in an amount less than $1,000,000; OR less than 25% of its grant allocation, either for an individual grant year or summation of the last three grant years.	Medium	6			
iii. Grantee has not had to repay programmatic funds or received a grant reduction within the last three grant years.	Low	0			
C. CDBG-DR Grant Amount Criteria: Risk is based on the absolute amount of the grantee's CDBG-DR grant; OR if it is the first year of a new grant; OR if the grantee is a new CDBG-DR grant recipient. During the most recent grant year, grantee was awarded CDBG-DR funds in the amount of:					
i. Three times its current CDBG grant; OR it is the first year of a new grant; OR the grantee is a new CDBG-DR grant recipient.	High	12			Yes
ii. Two times its current CDBG grant.	Medium	6			
iii. Equal to or less than its CDBG grant.	Low	0			
D. Grantee Program Income Criteria: Gross program income received by the grantee, State recipient(s), or subrecipient(s) generated by the use of CDBG-DR funds for the most recently completed grant year.					
i. The grantee, State recipient(s), or its subrecipient(s) received $1,000,000 or greater.	High	4			Yes
ii.The grantee, State recipient(s), or its subrecipient(s) received less than $1,000,000.	Medium	2			
iii. The grantee, State recipient(s) or its subrecipient(s) has not generated any program income.	Low	0			
E. Grantee A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 audits for recipients of federal funds that expend in excess of $500,000 on an annual basis, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration					

whether or not the grantee has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee's fiscal year.					
i. During the last three grant years, the grantee has not been timely in its submission of the required A-133 audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.	High	4			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
F. Grantee's Portfolio Includes RLF(s) or Float-Funded Activities Criteria: Risk is based on the grantee's portfolio containing one or more Revolving Loan Funds or Float-Funded Activities.					
i. Grantee's portfolio includes RLF(s) or float-funded activities within the past three grant years (including state recipients' portfolios).	High	2			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
G. Disaster Recovery Enhancement Fund (DREF) Criteria: CDBG disaster recovery grantees under Public Law 110-329 (for B08 DI grants that are DREF awards only) may have received an additional allocation if they programmed funds to certain "DREF-eligible" activities. HUD will not recapture funds from the grantee if the amount originally identified as "DREF-eligible" does not decrease.					
i. Amount dedicated to DREF-eligible activities has decreased.	High	3			No
ii. Amount dedicated to DREF-eligible activities has remained constant or increased; or, the grantee did not receive an additional allocation under DREF.	Low	0			
Subtotal for Financial Management Assessment (Max. 45 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Action Plans, Quarterly Performance Reports (QPRs), and automated tracking systems.

The Evaluator should award a point value to subfactors A and B. Choose only one risk score for this subfactor from the point values listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Citizen Complaints or Negative Media Exposure Criteria: Risk is based on citizen complaints received or negative media exposure to its program.					
i. Citizen complaints have been received within the last three grant years through such sources as citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., and the grantee was found to be in violation of CDBG-DR requirements.	High	2			No
ii. Citizen complaints have been received within the last three grant years through such sources as citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., and the grantee was found not to be in violation of CDBG-DR requirements; OR no citizen complaints have been received during the most recently completed grant year as described in (i).	Low	0			
B. Grantee Responsiveness Criteria: Risk is based upon grantee's timely response to citizen complaints received.					
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes within the last three grant years.	High	1			No
ii. Grantee has responded to complaints and/or citizen inquiries within the prescribed timeframes; OR has not received any complaints forwarded through HUD in the last three grant years.	Low	0			
Subtotal for Financial Management Assessment (Max. 3 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	52	
2. Financial Management	45	
3. Services & Satisfaction	3	
Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

Exceptions:

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last three grant years prior to this risk analysis.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
D. Discretionary Monitoring.
X. Other.

CPD Management Representative(s) _____ Date: _____

Attachment A-3

Neighborhood Stabilization Program (NSP-1, NSP-2, & NSP-3)
Formula and Competitive Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Recipient of (check all that apply): ☐ **NSP-1** ☐ **NSP-2** ☐ **NSP-3**

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include: Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and unresolved findings; or problems such as property disposition and land banking, rental properties, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following reports and reporting systems should be considered, including but not limited to: Action Plans, Quarterly Performance Reports (QPRs), Technical Assistance Plans, Disaster Recovery Grant Reporting (DRGR), Analysis of Impediments to Fair Housing Choice, Office of Inspector General (OIG) audits, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and other reporting mechanisms and systems.

The Evaluator should award point values to subfactors A through H. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Reporting Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained in the Action Plan and Quarterly Performance Report (QPR).					
i. Grantee has not been timely in submitting at least two reports within the last three grant years; OR at least two reports have not been complete and/or accurate.	High	4			No – Shared score with CDBG
ii.Grantee has submitted at least one report within the last three grant years that has not been complete and/or accurate.	Medium	2			
iii. Within the last three grant years, the grantee has been timely with submitting its reports, and they have been complete and accurate.	Low	0			
B. Grantee Staff Capacity and Program Design Criteria: Risk is based on current grantee staff capacity and its ability to ensure programmatic compliance with the NSP and applicable CDBG regulations, fulfill all of its obligations as a grantee, and design a program appropriate to the level of its capacity.					
i. During the last three grant years, the grantee has experienced turnover in at least one key position within its program administration AND the program the grantee has designed is more complex than the current capacity and programmatic knowledge of its staff.	High	14			No – Shared score with CDBG
ii.Grantee has designed a program that is more complex than the current capacity and programmatic knowledge of its staff.	Medium	8			
iii. Grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge.	Low	0			
C. Grantee Program Complexity Criteria: Risk is based on the complexity of the grantee's program design, primarily the number and variety of activities the grantee is undertaking and whether these are					

new to its program and may pose a challenge to the grantee's staff in compliance and reporting. The grantee's application intake and complexity should also be considered.					
i. Grantee has designed a program that implements four or more types of activities; OR has implemented at least two new activities in its program (considering the last three grant years) AND has a highly complex application intake system (e.g., multiple cycles or competitions); OR is a consortium.	High	8			No – Shared score with CDBG
ii.Grantee has designed a program that implements three or fewer types of activities, AND requires an application intake system that may strain resources.	Medium	4			
iii. Grantee has designed a program that appears to suit the level of staff capacity and has an application intake system that is manageable.	Low	0			
D. Grantee Disposition and Land Banking Criteria: Risk is based on the grantee undertaking property disposition and land banking.					
i. Within the last three grant years, the grantee has disposed of properties AND either it or its subrecipients (including contractors and state recipients) operates a land bank.	High	4			No
ii.Within the last three grant years the grantee has disposed of properties.	Medium	2			
iii. None of the above conditions exist.	Low	0			
E. Grantee Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three grant years; the grantee's past performance regarding the number of open, overdue and unresolved findings; OR sanctions have been imposed; OR the grantee has not been monitored within the last three grant years.					
i. Within the last three grant years, the grantee has received two or more findings that are still open, overdue and unresolved; OR sanctions have been imposed on the grantee; OR grantee has not been monitored within the last three years.	High	10			Flag
ii.Within the last three grant years, the grantee has received	Medium	6			

one finding that is still open and unresolved; OR has had imposed sanctions removed from the grantee.					
iii. None of the above conditions exist.	Low	0			
F. Grantee's Management of Subrecipients Criteria: Risk is based on the grantee's management of its subrecipients.					
i. Grantee (including States for its state recipients) has demonstrated a lack of management over its subrecipients. This has been demonstrated by, including but not limited to, the lack of a program monitoring schedule, late or inaccurate reporting on activities and/or projects, missing or inaccurate accomplishments being reported in DRGR, its recordkeeping system, HUD management monitoring findings within the last three grant years, etc.	High	4			No – Shared score with CDBG
ii.Grantee uses subrecipients and/or contractors and, for state grantees, uses subgrantees to help administer the program.	Medium	2			
iii. None of the above conditions exists.	Low	0			
G. Grantee Rental Properties Criteria: Risk is based on the grantee having subrecipients (including contractors, state recipients, etc.) that have rental properties.					
i. Grantee's portfolio includes scattered site rental properties.	High	6			No
ii.Grantee's portfolio includes non-scattered site rental properties.	Medium	4			
iii. None of the above conditions exist.	Low	0			
H. Grantee Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the grantee has received a monitoring finding within the last three grant years regarding the NSP cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).					
i. Within the last three grant years, the grantee has received one or more findings on any of the NSP cross-cutting programmatic requirements.	High	2			Yes
ii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Grant Management Assessment (Max. 52 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT:

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Disaster Recovery Grant Reporting System (DRGR), audit management systems, A-133 audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Loan Servicing, grantee's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

The Evaluator should award point values to subfactors A through G. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 - FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Financial Staff Capacity Criteria: Risk is based on the current financial staff capacity of the grantee regarding its ability to ensure financial management practices that are compliant with NSP and the applicable CDBG regulations and applicable OMB circulars.					
i. During the last three grant years, as evidenced though information available (e.g., audits, citizen correspondence, previous HUD monitorings, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the NSP AND has had one or more violations or deficiencies of the applicable regulations or OMB circulars.	High	8			No – Shared score with CDBG
ii. During the last three grant years, as evidenced as described in subfactor (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the NSP AND has not had any violations or deficiencies of the applicable regulations or OMB circulars.	Medium	4			
iii. During the last three grant years, financial management staff has been able to demonstrate sufficient knowledge or skill sets regarding the NSP AND has had no violations or deficiencies in the aforementioned areas.	Low	0			
B. Monitoring Finding Resulting in Repayment or Grant Reduction Criteria: Risk is based on all findings within the last three					

grant years, whether NSP or OIG, where the grantee has been required to make a repayment or has received a grant reduction, either for an individual grant year or summation of the last three grant years. Also consider whether sanctions suspending activities have been applied (e.g., ED loans that must receive HUD approval before given).					
i. Within the last three grant years, grantee has had to repay programmatic funds or received a grant reduction in an amount over $250,000; OR equal to or greater than 25% of its grant allocation; OR sanctions have been applied that result in the suspension of activities by the grantee.	High	12			Flag
ii. Within the last three grant years, grantee has had to repay programmatic funds or received a grant reduction in an amount less than $250,000; OR less than 25% of its grant allocation.	Medium	6			
iii. Grantee has not had to repay programmatic funds or received a grant reduction within the last three grant years.	Low	0			
C. NSP Grant Amount Criteria: Risk is based on the total amount of the grantee's NSP grant(s) [NSP-1, NSP-2, and NSP-3]:					
i. $15 million or greater.	High	12			Yes
ii. At least $7.5 million and less than $15 million.	Medium	8			
iii. Less than $7.5 million.	Low	0			
D. Grantee Program Income Criteria: Gross program income received by the grantee, State recipient(s), or subrecipient(s) generated by the use of NSP funds for the most recently completed year.					
i. The grantee, State recipient(s), or its subrecipient(s) received $250,000 or greater.	High	4			Yes
ii. The grantee, State recipient(s), or its subrecipient(s) received less than $250,000.	Medium	2			
iii. The grantee, State recipient(s), or its subrecipient(s) has not generated any program income.	Low	0			
E. Grantee A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 program audits for recipients of federal funds that expend in excess of $500,000 on an annual basis, but special emphasis is placed on the review of the management letter					

that should accompany the audit, taking into consideration whether or not the grantee has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee's fiscal year.					
i. During the last three grant years, the grantee has not been timely in its submission of the required A-133 audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.	High	4			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
F. Grantee's Portfolio Includes RLF(s) or Float-Funded Activities Criteria: Risk is based on the grantee's portfolio containing one or more Revolving Loan Funds or Float-Funded Activities.					
i. Grantee's portfolio includes RLF(s) or float-funded activities within the past three grant years (including state recipients' portfolios).	High	2			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
G. Grantee Loan Servicing Criteria: Grantee originates and services a mortgage loan portfolio; OR has contracted out the origination and/or servicing of its mortgage loan portfolio.					
i. Grantee is performing loan serving itself.	High	3			No
ii. Grantee has contracted out its loan servicing.	Medium	2			
iii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Financial Management Assessment (Max. 45 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press

information, loss of community support, failure to reply or submit reports, Action Plans, Quarterly Performance Reports (QPRs), and automated tracking systems.

The Evaluator should award a point value to subfactors A and B. Choose only one risk score for this subfactor from the point values listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Grantee Citizen Complaints or Negative Media Exposure Criteria: Risk is based on citizen complaints received or negative media exposure to its program.					
i. Citizen complaints have been received within the last three grant years through such sources as citizen letters, phone calls, hot line complaints, newspapers article, internet postings, emails, etc., and the grantee was found to be in violation of NSP requirements.	High	2			No
ii. Citizen complaints have been received during the most recently completed year through such sources as citizen letters, phone calls, hot line complaints, newspapers article, internet postings, emails, etc., and the grantee was found not to be in violation of NSP requirements; OR no citizen complaints have been received within the last three grant years as described in (i).	Low	0			
B. Grantee Responsiveness Criteria: Risk is based upon grantee's timely response to citizen complaints received.					
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes within the last three grant years.	High	1			No
ii. Grantee has responded to complaints and/or citizen inquiries within the prescribed timeframes; OR has not received any complaints forwarded through HUD in the last three grant years.	Low	0			
Subtotal for Services & Satisfaction Assessment (Max. 3 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	52	
2. Financial Management	45	
3. Services & Satisfaction	3	
Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

Exceptions:

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last three grant years prior to this risk analysis.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
D. Discretionary Monitoring.
X. Other.

CPD Management Representative(s) _____ Date: _____

Attachment A-4

HOME Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the Participating Jurisdiction (PJ), using four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The four factors are: Grant Management, Financial Management, Services & Satisfaction, and Physical. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this PJ. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the PJ has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff, and the PJ's administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as lack of progress in implementing activities, lack of experience with Federal grants or project activities, and frequency and level of technical assistance required by the PJ to carry out activities. The following reports and reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, Technical Assistance Plans, the Integrated Disbursement and Information System (IDIS), Analysis of Impediments to Fair Housing Choice, Office of Inspector General (OIG) audits and other reporting mechanisms and systems. Environmental Compliance, Relocation and Acquisition Policies Compliance and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to subfactors A through G. Choose only one risk score for each subfactor from the risk score column listed below.

FACTOR 1 - GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can this be auto-populated? Yes/No**
A. PJ Staff Capacity Criteria: Risk is based on the PJ's capacity to ensure compliance with the HOME regulations, given the skills and knowledge of its current staff, primarily in key areas as identified in the subfactor or by the CPD evaluator.					
i. In the last three program years, PJ program staff has demonstrated a lack of knowledge or skill sets to administer or oversee the administration of the HOME program in two or more of the following key areas: construction management, underwriting, program knowledge, IDIS, procurement, oversight of funded entities and contractors, income determination, or other key area(s) described in the evaluator's comments; OR the PJ has experienced turnover in at least one key position in the last program year.	High	10			No
ii. In the last three program years, PJ program staff has demonstrated a lack of knowledge or skill sets to administer or oversee the administration of the HOME program in one of the key areas described in (i).	Medium	8			
iii. In the last three program years, PJ program staff has not demonstrated a lack of knowledge or skill sets to administer or oversee the administration of the HOME program in any key areas.	Low	0			
B. Scale of Operations Criteria: Risk is based on the PJ's capacity to ensure compliance with the HOME regulations, given the scale of the PJ's program, primarily the number and variety of activities it is undertaking, compared to the workload and assignments of its staff.					
i. In the last three program years, the number of program staff assigned to manage the HOME program has **not** been adequate to effectively manage **most** required functions of the program.	High	10			No
ii.In the last three program years, the number of program staff assigned to manage the HOME program has **not** been adequate to effectively manage **some** required	Medium	8			

functions of the program.					
iii. In the last three program years, the number of program staff assigned to manage the HOME program has been adequate to effectively manage the required functions of the program.	Low	0			
C. New Program/Large Projects Criteria: Risk is based on the size of projects the PJ is undertaking, or whether the type of projects are new to its program and may pose a challenge to the PJ's staff upon implementation in regards to compliance.					
i. Since HUD last monitored the HOME program on-site, the PJ has undertaken a new HOME-funded program or made substantial changes to an existing program (e.g., TBRA, scattered-site rental, lease-purchase); OR in the last three program years, the PJ has committed HOME funds to a large rental or homebuyer project (15 or more units) for rehabilitation or new construction.	High	5			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
D. Project Progress Criteria: Risk is based on a PJ's ability to demonstrate through IDIS data that its activities are progressing toward completion.					
i. The HOME Review Activities page in IDIS indicates that the PJ has two or more activities flagged for "final draw for 120 days or more"; OR two or more activities flagged for "infrequent draws for 12 months or more" with an explanation of "project start was delayed" or "project is stalled."	High	7			Yes
ii.The HOME Review Activities page in IDIS indicates that the PJ has fewer than two activities flagged for "final draw for 120 days or more" AND fewer than two activities flagged for "infrequent draws for 12 months or more" with an explanation of "project start was delayed" or "project is stalled."	Low	0			
E. Management of Funded Entities Criteria: Risk is based on the PJ's management of its funded entities, which include subrecipients, state recipients, consortia members, and CHDOs.					
i. Available information (e.g., internal PJ monitoring	High	10			No

reports, monitoring plans, audits, citizen correspondence, previous HUD monitoring audits, PR25, PR35) indicate that the PJ has not carried out oversight responsibilities with respect to funded entities (subrecipients/state recipients/consortia members/ CHDOs) or has not reviewed performance of funded entities in the last three program years; OR the evaluator cannot determine.					
ii.The PJ is exercising adequate oversight of funded entities but available information, as described in (i.), indicates that funded entities have performance or compliances issues; OR funded entities lack housing experience or they have limited knowledge of the HOME program AND have not received HOME technical assistance.	Medium	8			
iii. Available information, as described in (i.), indicates that the PJ is overseeing the operations of funded entities and that technical assistance is provided when necessary; OR the PJ does not rely on funded entities.	Low	0			
F. PJ Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the PJ's program by HUD to ensure compliance with program requirements within the last three program years.					
i. In the last three program years, the PJ has been required to make a significant repayment due to ineligible costs, projects, or beneficiaries or otherwise not adequately implementing the implementation of HOME program requirements.	High	8			Flag
ii. None of the criteria in subfactor (i) applies.	Low	0			
G. PJ Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the PJ has received a monitoring finding within the last three program years regarding the HOME cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).					
i. In the last three program years, the PJ has received one or more findings on any of the HOME cross-cutting programmatic requirements (e.g., Relocation, Environmental, Davis-Bacon, FHEO).	High	5			Yes

ii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Grant Management Assessment (Max. 55 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the Participating Jurisdiction (PJ) accounts for and manages financial resources in accordance with approved financial management standards, and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: the Integrated Disbursement and Information System (IDIS), Federal Audit Clearinghouse (FAC), assessment of PJ drawdown history, PJ's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and performance reports; and information available to the Evaluator relating to PJ staff capacity for financial compliance.

The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can this be autopopulated? Yes/No**
A. Staff Capacity for Financial Compliance Criteria: Risk is based on the PJ's capacity to ensure financial management practices that are in compliance with the HOME regulations and applicable OMB Circulars, given the skills and knowledge of its current financial management staff.					
i. During the last three program years, as evidenced through information available (e.g., audits, IDIS, citizen correspondence, previous HUD monitorings, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the HOME program AND has had one or more violations of Part 84, Part 85, A-87 or A-110.	High	10			Flag
ii. During the last three program years, as evidenced as described in (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the HOME program AND has not had any violations of Part 84, Part 85, A-87 or A-110.	Medium	8			
iii. During the last three program years, financial	Low	0			

management staff has not demonstrated a lack of knowledge or skill sets AND no financial management deficiencies have been identified as evidenced through violations or findings.					
B. Commitments and Expenditures Criteria: Risk is based on the PJ's ability to commit and expend funds in compliance with HOME deadline requirements.					
i. HOME Production Reports indicate that the PJ did not meet commitment or expenditure deadline requirements in one or more of the last three program years.	High	7			Yes
ii.HOME Production Reports indicate that the PJ had a shortfall 120 days before the deadline in one or more of the last three program years.	Medium	5			
iii. HOME Production Reports indicate that there were no shortfalls 120 days before the deadline in any of the last three program years.	Low	0			
C. Program Income Criteria: Risk is based on the PJ's disbursement of program income in the last three program years.					
i. The PR27 indicates that the PJ did not disburse program income in IDIS in any of the last three program years.	High	3			Yes
ii. The PR27 indicates that the PJ disbursed program income in IDIS in one or two of the last three program years.	Medium	2			
iii. The PR27 indicates that the PJ disbursed program income in IDIS in each of the last three program years.	Low	0			
D. PJ A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 program audits for recipients of federal funds that expend in excess of $500,000 on an annual basis, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the PJ has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the PJ's fiscal year.					
i. During the last three grant years, the PJ has not been	High	5			No

timely in its submission of the required A-133 audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.					
ii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Financial Management Assessment (Max. 25 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD PJs effectively and efficiently deliver services to intended beneficiaries/clientele**.** Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to: client- or citizen-originated correspondence, PJ responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), local-, HQ-, or PJ-generated automated reports or spreadsheets or, IDIS. The Evaluator should consider the PJ's overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A and B. Choose only one risk score for each subfactor from the risk score column listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can this be autopopulated? Yes/No**
A. PJ Citizen Complaints or Negative Media Exposure Criteria: Risk is based on citizen complaints received or negative media exposure to its program.					
i. Citizen complaints have been received in the last three program years through such sources as: citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., and the PJ **was** found to be in violation of HOME regulations.	High	5			No
ii. Citizen complaints have been received in the last three programs year through such sources as described in (i) and the PJ **was not** found to be violation of HOME regulations but there are concerns that could lead to future violations if not addressed by the PJ.	Medium	3			
iii. No valid complaints have been received during the	Low	0			

most recently completed program year as described in (i) or (ii) above.					
B. PJ Responsiveness Criteria: Risk is based upon PJ's timely response to citizen complaints received.					
i. The PJ has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes in the last three program years.	High	5			No
ii. The PJ has responded to complaints and/or citizen inquiries OR has not received any complaints forwarded through HUD in the last three program years.	Low	0			
Subtotal for Services & Satisfaction Assessment (Max. 10 pts.)	**Subtotal:**				

FACTOR 4 - PHYSICAL

Factor Definition: Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

Rating Considerations: HOME funds are used almost exclusively for physical activity (rehabilitation, new construction). Consequently, the Evaluator needs to assess the quality of physical development activities undertaken with HOME funds.

The Evaluator should award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below.

FACTOR 4 - PHYSICAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can this be auto-populated? Yes/No**
A. Physical Condition of Projects Criteria: Risk is based on HUD's knowledge of the physical conditions of a PJ's completed projects.					
i. HUD has not conducted an on-site review of the physical conditions of any HOME units in the last three program years; OR previous monitoring (on-site or remote) identified findings concerning the physical condition of HOME properties which have not been resolved as of this date; OR HOME projects did not meet applicable standards at completion or are not maintained in standard and habitable conditions in the last three program years as evidenced through information available, such as the CAPER review or citizen correspondence.	High	10			No
ii. Not applicable.	Low	0			
Subtotal for Physical Assessment (Max.10 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	55	
2. Financial Management	25	
3. Services & Satisfaction	10	
4. Physical	10	
Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

Exceptions:

- **A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).**
- **B. High-risk grantee or high-risk program(s) were monitored within the last two years.**
- **C. Grantee will be provided technical assistance or training in current Fiscal Year.**
- **D. Discretionary Monitoring.**
- **X. Other.**

CPD Management Representative(s) _____ Date: _____

Attachment A-5

Emergency Solutions Grants Program (ESG)
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Recipients: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a recipient has failed to comply with program requirements; or
- The recipient has performed unacceptably

Recipient Risk is assessed to:

- Determine recipients that pose the highest risk to the Department
- Identify recipients to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase recipient effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the recipient, using the four standard factors selected by the Department to determine the level of risk a recipient may pose to a HUD program. The four factors include: Grant Management, Financial Management, Services & Satisfaction, and Physical. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this recipient. This score should be indicated in the Evaluator's Rating Box. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the recipient has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the recipient's capacity to administer the grant, including: scope of eligible activities and subrecipients; progress in implementing the project, changes in staff during the last year, lack of experience with Federal grants or project activities, and frequency and level of technical assistance required by the recipient/subrecipient to carry out activities. The following reports and reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Integrated Disbursement and Information System (IDIS), Analysis of Impediments to Fair Housing Choice, Office of Inspector General (OIG) audits, and other reporting mechanisms and systems. Environmental Compliance, Relocation and Acquisition Policies Compliance and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Recipient Reporting Criteria: Risk is based on the recipient meeting deadlines while ensuring completeness and accuracy of information contained therein. Reports and submissions should include: Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), and Federal Funding and Accountability Transparency Act (FFATA) reports.					
i. One or more of recipient's required submissions for the last three program years are incomplete; OR are received 30 days or more after prescribed timeframes; OR contain inaccurate data on key compliance areas such as expenditure caps and matching requirements.	High	3			Flag
ii. While all documents indicated in (i.) above are timely, current, and accurate for the most recent program year, in the three most recent program years, at least one of the submissions has not been received within the prescribed timeframe; OR was incomplete; OR contained inaccurate data.	Medium	2			
iii. All recipient's required submissions are complete AND have been received by the Field Office within prescribed timeframes for the three most recent program years.	Low	0			
B. Recipient Staff Capacity Criteria: Risk is based on current staff's ability to ensure compliance with the regulations and fulfill all of the recipient's obligations under the program (includes financial staff that may be separate from administrative). (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations.)					
i. During the last three program years, key staff have demonstrated an inability to administer the ESG program as evidenced through serious or numerous violations of regulations, recurring monitoring finding(s), or failure to resolve open findings timely, or poor performance that is ongoing that the recipient has failed to improve within a reasonable time period; OR one or more vacancies for key	High	5			Flag

ESG staff have existed for more than six months.					
ii. Although no issues as specified in (i) above have been identified, one or more vacancies for key staff have existed for the past 3 to 6 months; OR key program staff have been hired in the past two program years, but lack necessary experience and have not received program training.	Medium	3			
iii. No program deficiencies have been identified as evidenced through violations or findings or poor performance AND any key staff vacancies have existed for less than three months AND any key staff hired in the past program year have received or do not need program training.	Low	0			
C. Program Complexity Criteria: Risk is based on recipient's ability to administer new program activities (short-term and medium-term rental assistance, housing relocation and stabilization services, and Homeless Management Information System or HMIS) or oversee multiple subrecipients.					
i. Recipient has taken on short-term and medium-term rental assistance, housing relocation and stabilization services, and HMIS as new activities, which the recipient has not previously carried out; OR recipient funds more than three subrecipients; OR subrecipient management issues have been identified in the last three program years.	High	5			Flag
ii. Recipient is undertaking short-term and medium-term rental assistance, housing relocation and stabilization services, and HMIS activities, but not as new activities; OR subrecipient management issues have been identified in the past two program years.	Medium	3			
iii. Recipient is not undertaking short-term and medium-term rental assistance, housing relocation and stabilization services, and HMIS AND there are no known subrecipient management issues.	Low	0			
D. Recipient Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the recipient's program by HUD to ensure compliance with program requirements.					
i. Within the last three program years, the recipient has received two or more findings that are still open, overdue	High	17			Flag

and unresolved; OR sanctions have been imposed on the recipient; OR the recipient has not been monitored within the last five years.					
ii. Within the last two years, the recipient has one finding that is still open and unresolved; OR has had imposed sanctions removed from the recipient.	Medium	8			
iii. Within the last two years, the recipient has been monitored or there has been an OIG audit and there have been no findings identified.	Low	0			
E. Recipient Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the recipient has received a monitoring finding within the last three years regarding any of the cross-cutting programmatic requirements (Relocation, Environmental, FHEO, etc.).					
i. Within the last three program years, the recipient has received one or more findings on any of the cross-cutting programmatic requirements.	High	2			Yes
ii. None of the criteria in subfactor (i) applies.	Low	0			
Subtotal for Management Assessment (Max. 32 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the recipient accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, assessment of recipient's drawdown history, submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and recipient performance reports.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Staff Capacity for Financial Compliance Criteria: Risk is based on the key financial management staff's ability to administer the financial management responsibilities for the ESG program. (Key financial					

management staff is defined as staff with direct oversight of financial records and/or distribution of program funds.)					
i. During the last three program years, staff has demonstrated an inability to administer the financial management responsibilities for the ESG program as evidenced through one or more violation of regulations or deficiencies of Part 85, Part 84, A-87 or A-122; OR one or more vacancies for key financial management staff of ESG programs have existed for more than six months.	High	10			Flag
ii. Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial management staff have existed for the past 3 to 6 months; OR key financial management staff have been hired in the past program year and have not received ESG financial management training.	Medium	5			
iii. No financial management deficiencies have been identified as evidenced through violations or findings AND any key financial management staff vacancies have existed for less than three months AND any key staff hired in the past program year has received ESG financial management training.	Low	0			
B. Grant Amount Criteria: Risk is based upon the recipient's grant amount for the most recently completed program year.					
i. The recipient's grant amount for the most recently completed program year falls within the top 10% of all ESG-funded communities within the Office's jurisdiction for the same program year.	High	3			Flag
ii. The recipient's grant amount for the most recently completed program year falls between 50-90% of all ESG grants awarded within the Office's jurisdiction within the same program year.	Medium	2			
iii. The recipient's grant amount for the most recently completed program year falls within the lowest 50% of all ESG grants awarded within the Office's jurisdiction within the same program year.	Low	0			
C. Recipient A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 program audits for recipients of federal funds that					

expend in excess of $500,000 on an annual basis, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the recipient has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee's program year.					
i. During the last three program years, the recipient has not been timely in its submission of the required A-133 audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.	High	2			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
D. Program Administration Cap Criteria: Risk is based on recipient's ability to not exceed the administrative activities cap.					
i. The recipient has exceeded the administrative activities cap for the ESG program for the most recently completed program year.	High	5			Yes
ii.The recipient has not exceeded the administrative activities cap for the most recent program year, however, the recipient has exceeded the cap one or more times within the last three program years.	Medium	3			
iii.The recipient has not exceeded the administrative activities cap during the three most recently completed program years.	Low	0			
E. 24-Month Expenditure Provisions Criteria: Risk is based on the recipient meeting the 24-month expenditure deadline as evidenced by the most recent CAPER, IDIS PR02 or other reports, and the Emergency Shelter Grants program.					
i. The recipient has violated the most recent 24-month expenditure.	High	10			Yes
ii. Within the last three years, the recipient failed to meet the 24-month expenditure deadline at least once.	Medium	5			
iii. Over the last three years, the recipient has not demonstrated any problem with meeting the 24-month expenditure deadline.	Low	0			

Subtotal for Financial Management Assessment (Max. 30 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which program participants express satisfaction or dissatisfaction with the delivery of program services and the extent to which HUD recipients effectively and efficiently deliver services to intended beneficiaries/program participants.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client- or citizen-originated correspondence, recipient responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of recipient support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), automated tracking systems, correspondence, release of funds requests, local-, HQ-, or recipient-generated automated reports or spreadsheets, and the Integrated Disbursement and Information System (IDIS). The Evaluator should consider the recipient's overall effectiveness in carrying out program activities and delivery to target populations.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Recipient Citizen Complaints or Negative Media Exposure Criteria: Risk is based on the receipt of citizen complaints and/or negative media exposure resulting in violations of ESG regulations.					
i. Citizen complaints have been received during the last three program years through such sources as: citizen letters, phone calls, hot line complaints, newspaper articles, etc., and, when considering the recipient's response, resulted in violations of ESG regulations or findings.	High	3			No
ii. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspaper articles, etc., and, considering the recipient's response, have not been found to be violations of ESG regulations but are concerns that could lead to possible future violations if not addressed by the recipient.	Medium	2			
iii. No valid complaints have been received during the most	Low	0			

recently completed program year as described in (i) or (ii) above.					
B. Recipient Responsiveness Criteria: Risk is based upon recipient's timely response to citizen complaints received.					
i. Recipient has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the last three program years.	High	2			No
ii. Recipient has responded to complaints and/or citizen inquiries OR has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0			
C. Meeting Program Objectives Criteria: Risk is based on the recipient's ability to carry out activities in compliance with program requirements and its ability to resolve known problems.					
i. Sanctions have been placed on recipient for failing to meet program requirements (which includes all expenditure caps, homelessness prevention) during the most recently completed program year; OR the recipient is not complying with sanctions that were previously placed on it within the three most recent program years; OR there are known problems identified through review of reports or information received that indicate recipient is currently not in compliance or is carrying out ineligible activities.	High	10			Flag
ii. The recipient has been in noncompliance for meeting program requirements or carrying out ineligible activities one or more times within the past three years AND the recipient is currently working toward compliance.	Medium	5			
iii. Activities carried out by the recipient during the three most recent program years are in compliance with program requirements AND there are no known problems.	Low	0			
D. Homelessness Prevention Criteria: Risk is based on the classification of Homelessness Prevention activities and the recipient's ability to carry out activities in compliance with program requirements.					
i. HUD has not conducted an on-site review of the	High	5			Flag

homelessness prevention activities within the past three program years; OR previous monitoring findings (on-site or remote) remain unresolved; OR monitoring activity in the past two years determined that Homelessness Prevention activity costs were misclassified; OR activity costs were not serving an eligible population; OR Homelessness Prevention activity costs exceeded 50 percent of the annual allocation.					
ii. Homelessness Prevention activities exceeded 30 percent of the annual allocation but did not exceed 50 percent of the annual allocation.	Medium	3			
iii. Homelessness Prevention activities are classified properly and are limited to no more than 30 percent of annual allocation.	Low	0			
E. Street Outreach and Emergency Shelter Criteria: Risk is based on the classification of Street Outreach and Emergency Shelter activities limited to no more than 60 percent of the annual allocation or FY 2010 amount committed to homeless assistance activities and the recipient's ability to carry out activities in compliance with program requirements.					
i. HUD has not conducted an on-site review of the Street Outreach and/or Emergency Shelter activities within the past two program years; OR previous monitoring findings (on-site or remote) remain unresolved; OR monitoring activity in the past two years determined that activity costs were misclassified; OR activity costs were not serving an eligible population; OR activity costs exceed 60 percent of the annual allocation or FY 2010 amount committed to homeless assistance activities during the most recently completed program year .	High	5			Flag
ii. Street Outreach and/or Emergency Shelter activities did not exceed 60% of the annual allocation or FY 2010 amount committed to homeless assistance activities.	Medium	3			
iii. Street Outreach and/or Emergency Shelter activities are classified properly and there are no monitoring issues.	Low	0			
Subtotal for Services & Satisfaction Assessment (Max. 25 pts.)	**Subtotal:**				

FACTOR 4 - PHYSICAL

Factor Definition: Extent to which ESG-funded emergency shelters are maintained and operated according to established standards.

Rating Considerations: ESG funds are often used for renovation and shelter operation activities. Renovation can be used to refer to any of the three ESG categories of Renovation, Major Rehabilitation, or Conversion.

- Renovation is defined as the costs of improvements that are 75 percent or less of the value of the building before rehabilitation. A shelter receiving this level of improvement must be used as a shelter for at least 3 years.
- Major Rehabilitation is defined as the costs of improvements that are more than 75 percent of the value of the building before rehabilitation. A shelter receiving this level of improvement must be used as a shelter for at least 10 years.
- Conversion is defined as the cost to convert a building into an emergency shelter that exceeds 75 percent of the value of the building after conversion.

Note: The 3- or 10-year period of use requirement starts on the date the building is first occupied by a homeless individual or family after the completed revocation.

The Evaluator should award a point value to subfactor A. Choose only one risk score from the point values listed below.

FACTOR 4 - PHYSICAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can Be Autopopulated? Yes/No**
A. Physical Condition of Emergency Shelters Criteria: Risk is based on the recipient's use of ESG funds for renovation or shelter operations and the related emergency shelter's physical condition.					
i. HUD has not conducted an on-site review of the physical conditions of any ESG-funded emergency shelter within the past three program years; OR previous monitoring findings (on-site or remote) concerning the physical condition of ESG-funded emergency shelters remain unresolved.	High	13			Flag
ii. HUD has not conducted an on-site review of the physical conditions of any ESG-funded emergency shelters within the past two program years; OR previous monitoring findings (on-site or remote) concerning the physical condition of ESG-funded emergency shelters have been resolved.	Medium	6			
iii. HUD has conducted an on-site review of the physical conditions of ESG-funded emergency shelters during the last two program years AND there were no findings relating to shelter standards; OR recipient did not use	Low	0			

ESG funds for renovation or shelter operations.					
Subtotal for Physical Assessment (Max. 13 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	32	
2. Financial Management	30	
3. Services & Satisfaction	25	
4. Physical	13	
Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

Exceptions:

- **A. The Office of Inspector General is currently conducting an audit of the high-risk recipient or high-risk program(s).**
- **B. High-risk recipient or high-risk program(s) were monitored within the last two years.**
- **C. Recipient will be provided technical assistance or training in current Fiscal Year.**
- **D. Discretionary Monitoring.**
- **X. Other.**

CPD Management Representative(s) _____ Date: _____

Attachment A-6

Housing Opportunities for Persons With AIDS (HOPWA) Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the HOPWA formula grantee using four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The four factors are: Grant Management, Financial Management, Services & Satisfaction, and Physical Assets. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 - GRANT MANAGEMENT

Factor Definition: Extent to which the grantee has the capacity to carry out the HOPWA program according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the grantee's capacity to administer the grant, including: scope of eligible activities and recipients; progress in implementing the project, changes in key staff during the last year, changes in the agency's missions or direction, regulatory violations, experience with Federal grants or project activities, and frequency and level of technical assistance required by the grantee before and during a project. The following reports and reporting systems can be considered, including, but not limited to: Consolidated Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Technical Assistance Plans, the Integrated Disbursement and Information System (IDIS), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and other reporting mechanisms and systems. Environmental Compliance, Relocation and Acquisition Policies Compliance, and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to Subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Grantee Reporting Criteria: Risk is based on the grantee meeting report deadlines with the main consideration being on the completeness and accuracy of information contained in the Consolidated Plan, Annual Action Plan, IDIS, or Consolidated Annual Performance and Evaluation Report (CAPER) for the last three program years.					
i. untimely, incomplete, or inaccurate.	High	5			No
ii. timely, complete, and accurate.	Low	0			
B. Grantee Staff Capacity Criteria: Risk is based on current staff capacity of the grantee in regards to its ability to ensure programmatic compliance with the regulations and fulfill all of its obligations as a grantee (includes financial staff that may be separate from administrative). (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations, inclusive of staff assigned with oversight of project sponsors.)					
i. During **the last three program years**, key program staff have demonstrated an *inability* to administer the HOPWA program as evidenced through the following: (a) Serious or numerous violations of regulations; OR (b) Recurring monitoring findings or failure to resolve open findings timely; OR (c) Poor performance that is ongoing, that the grantee has failed to improve within a reasonable time period; OR (d) One or more vacancies for key HOPWA staff have existed for more than six months; OR (e) More than 50% of staff are not recipients of formal technical assistance**;** OR (f) The grantee's program activities have changed.	High	15			No
ii. Grantee has experienced the following: a) A moderate to high turnover of staff; OR b) At least 50% of the current staff are not recipients of formal technical assistance; OR c) One or more vacancies for key HOPWA program staff	Medium	11			

have existed for the past 3 to 6 months; OR d) Key program staff have been hired in the past two program years BUT lack necessary experience and have not received program training.					
iii. Grantee has not experienced any of the following: a) No program deficiencies have been identified as evidenced through violations or findings or poor performance AND b) Any key staff vacancies have existed for less than three months AND c) Any key staff in the past program year are recipients of technical assistance or do not need program training AND d) The grantee's activities have not changed.	Low	0			
C. Program Complexity Criteria: Grantee information regarding the number of project sponsors is found in the grantee's Consolidated Annual Performance and Evaluation Report (CAPER).					
i. A grantee carries out a program with four or more sponsors AND the grantee or sponsor receives funding from more than two additional entities (e.g., HHS, State, City, and Foundation) within the three most recent program years; OR the grantee also administers HOPWA competitive funds.	High	5			No
ii. A grantee carries out a program with two to three sponsors; OR the grantee or sponsor receives funding from more than two additional entities (e.g., HHS, State, City, and Foundation) within the three most recent program years.	Medium	3			
iii. A grantee carries out a program with fewer than two sponsors AND the grantee or sponsor receives funding from no more than two funding sources within the three most recent program years.	Low	0			
D. Grantee Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three program years and includes the following: the grantee's past performance in regards to					

the number of open and unresolved findings or monetary sanctions that have been imposed, and any OIG audits the grantee has had.					
i. Within the last three years, the grantee has received two or more findings that are still open and unresolved; OR monetary sanctions have been imposed on the grantee; OR HUD has not conducted an on-site monitoring of the HOPWA formula program within the last three years.	High	10			Flag
ii. Within the last three years, the grantee has received one HOPWA finding that is still open and unresolved; OR HUD has not conducted an on-site monitoring of the HOPWA formula program within the last two years.	Medium	6			
iii. None of the above conditions exist.	Low	0			
E. Grantee Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the HOPWA grantee has received a monitoring finding within the last three program years regarding any of the cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).					
i. Within the last three program years, the grantee has received one or more findings on any of the cross-cutting programmatic requirements.	High	3			Yes
ii. None of the criteria in subfactor (i) applies.	Low	0			
Total for Grant Management Assessment (Max. 38 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department. The grantee upholds generally accepted conflict of interest policies.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: the Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, assessment of grantee's drawdown history (i.e., IDIS/LOCCS/PAS), submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and grantee performance reports.

The Evaluator should award point values to Subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Staff Capacity for Financial Compliance Criteria: Assessment of risk for this factor is based upon financial management compliance with the HOPWA monitoring Exhibits, OMB circulars, regulations, and other documents available to the Evaluator.					
i. During the last three program years, as evidenced through information available (e.g., audits, IDIS, citizen correspondence, previous HUD monitorings, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the HOPWA program AND has had one or more violations of Part 84, Part 85, A-87 or A-110.	High	15			Flag
ii. During the last three program years, as evidenced as described in (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the HOPWA program AND has not had any violations of Part 84, Part 85, A-87 or A-110.	Medium	9			
iii. During the last three program years, financial management staff has not demonstrated a lack of knowledge or skill sets AND no financial management deficiencies have been identified as evidenced through violations or findings.	Low	0			
B. Timeliness Criteria: The basis for assessing risk for this subfactor is based upon the grantee's ratio of obligated but unexpended funds on hand at the time of assessment. The grantee's ratio will automatically be calculated by data available in the Integrated Disbursement and Information System (IDIS).					
i. The ratio of undisbursed funds to the current award is equal to or exceeds 2:1.	High	10			Yes
ii. The ratio of undisbursed funds to the current award lies between 1.51:1 and 1.99:1.	Medium	6			
iii. The ratio of undisbursed funds to the current award is 1.5:1 or less.	Low	0			

C. Grantee A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 program audits for recipients of federal funds that expend in excess of $500,000 on an annual basis, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the grantee has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee's program year.					
i. During the last three program years, the grantee has not been timely in its submission of the required A-133 audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.	High	5			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
D. Program Administration Cap Criteria: Assessment is based upon the statutory percentage cap placed on HOPWA grantees. The administrative costs cap is limited to 3% of the award for the grantee (24 CFR Part 574.300(b)(10)(i)). The grantee's most recent administration expenditures can be viewed in IDIS or the CAPER.					
i. The grantee **has** exceeded the administration cap for the HOPWA program for the most recently completed program year.	High	5			Yes
ii. The grantee **has not** exceeded the administration cap for the most recent program year, **however**, the grantee has exceeded the cap one or more times within the last three program years.	Medium	3			
iii. The grantee **has not** exceeded the administration cap during the three most recently completed program years.	Low	0			
Total for Financial Management Assessment (Max. 35 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele and clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The Evaluator should consider the planned program support and how it is appropriately being carried out to address the intended range of housing needs and related supportive services issues, including any specialized efforts for sub-populations of homeless clients or difficulty in serving the proposed number of participants or moving homeless/persons living with HIV/AIDS clients to permanent housing as well as considering information that could be obtained from, but not limited to: Freedom of Information Act (FOIA) requests; Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERS), correspondence, local-, HQ-, or grantee-generated automated reports or spreadsheets, correspondence or other communication to HUD, the grantee or other parties with respect to the project and any written or other responses by the grantee, any recent problems, such as citizen complaints, newspaper articles, internet postings, Congressional inquiries, and other forms of correspondence, the grantee/project sponsor's response/failure to submit reports or respond to inquiries, and the loss of community support.

The Evaluator should award point values for Subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Grantee Citizen Complaints or Negative Media Exposure Criteria: Risk is based on citizen complaints received or negative media exposure to its program, which leads to a violation of HOPWA regulations.					
i. Citizen complaints have been received during the last three program years through such sources as citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., AND the grantee was found to be in violation of HOPWA regulations.	High	4			No
ii. Citizen complaints have been received during the last three program years through such sources as citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., AND the grantee was found not to be in violation of HOPWA requirements; OR no citizen complaints have been received during the most recently completed program year as described in (i).	Low	0			
B. Grantee Responsiveness Criteria: Risk is based upon grantee's timely response to citizen complaints received.					
i. Grantee has failed to respond or be responsive to complaints and/or citizen inquiries forwarded through HUD within	High	3			No

prescribed timeframes during the last three program years.					
ii. Grantee has responded to complaints and/or citizen inquiries; OR has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0			
C. Meeting Program Objectives Criteria: Risk is based upon grantee compliance with programmatic rules, policies, and procedures.					
i. Sanctions have been placed on the grantee for failing to meet program requirements during the most recently completed program year; OR the grantee has not taken corrective actions to address outstanding sanctions that were previously placed on it within the three most recent program years; OR there are known problems identified through review of reports or information received that indicates grantee is currently not in compliance, or is carrying out ineligible activities.	High	5			No
ii. The grantee has been in compliance for meeting program requirements and has carried out eligible activities during the most recent program year; however, the grantee has **not** been in compliance one or more times for meeting program requirements or carrying out eligible activities within the three most recent program years.	Medium	3			
iii. Activities carried out by the grantee during the three most recent program years are in compliance with meeting program requirements AND there are no known problems.	Low	0			
Total for Services & Satisfaction Assessment (Max. 12 pts.)	**Subtotal:**				

FACTOR 4 – PHYSICAL ASSETS

Factor Definition: Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

Rating Consideration: The basis for the Evaluator's rating is derived from HUD's inspection of records and reports, observation of the grantee's proper use of established forms and procedures, information received through public comments, A-133 or other audits, and other sources of information. The Evaluator should consider any existing or previously identified problems with the physical assets and the extent to which problems have been, or are likely to be corrected; whether HUD funds are used for acquisition, construction or rehabilitation activities; the number of sites at which HUD-funded physical assets are located and the activities supported by the physical asset and the extent of any previous on-site monitoring**.**

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 4 – PHYSICAL ASSETS	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Existing or Previous Physical Asset Problems Criteria: Risk for this subfactor is based upon the design, development, maintenance, and operation of HOPWA-funded physical assets.					
i. A problem or finding has been identified in the development, design, maintenance or operation of a HOPWA-funded physical asset or other physical site-related activity; and has not been resolved as of the date of this review; OR the physical asset has not been monitored within the three most recent program years.	High	5			No
ii. An identified problem or finding with the development, design, maintenance or operation of the physical asset is currently subject to corrective action pursuant to a HUD-approved schedule or plan; and is on schedule.	Medium	3			
iii. The development, design, maintenance and operation of the physical asset are satisfactory; OR any previously identified problem has been corrected AND no known problems exist.	Low	0			
B. Acquisition, Construction and Rehabilitation of Physical Assets Criteria: Assessment of this subfactor is based upon grantee's use of program funds for acquisition, construction, and rehabilitation within the past three program years.					
i. HOPWA funds were used for the acquisition or construction or substantial rehabilitation within the three most recent program years.	High	5			Yes
ii. HOPWA funds are used for the minor rehabilitation or repair of a physical asset; OR are used at an existing property currently used for housing or residential programs within the three most recent program years.	Medium	3			
iii. No HOPWA funds are used for the acquisition, construction or any rehabilitation of a physical asset, excluding minor maintenance or repairs within the three most recent program years.	Low	0			

C. Multiple Sites for Physical Assets Criteria: Risk is based upon the number of sites where physical assets are located.					
i. HOPWA funds are used for the development and related maintenance or operation of physical assets at more than three facility sites within the three most recent program years.	High	5			No
ii. HOPWA funds are used for the maintenance or operation of physical assets at one to three facility sites within the three most recent program years.	Medium	3			
iii. Funds for HOPWA development, or maintenance or operation of a physical asset are used only to support activities not directly related to the following: supportive services, tenant-based rental assistance, leasing of individual units, counseling, training, organizational capacity building, etc., during the three most recent program years.	Low	0			
Total for Physical Assets Assessment (Max. 15 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	38	
2. Financial Management	35	
3. Services & Satisfaction	12	
4. Physical Assets	15	
Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

Exceptions:

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last two years and all findings and concerns have been addressed and closed.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
D. Discretionary Monitoring.
X. Other.

CPD Management Representative(s) _____ Date: _____

Attachment A-7

Competitive Grants Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ Fiscal Year Review: _____

Name of Program:_____ Total Number of Open Grants Considered:_____ Total Dollar Value of all Open Grants:_____

Name of HUD Evaluator: _____ Date: _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

If a grantee has been awarded funds under more than one HUD competitive program, a separate worksheet should be completed for each competitive program carried out by the above-named grantee. For example, a Continuum of Care (CoC) Program recipient has received funds under the CoC Program, the Supportive Housing Program (SHP), Section 8 Single Room Occupancy Moderate Rehabilitation (SRO), and the Shelter Plus Care (S+C) Program in addition to receiving grants under the HOPWA Competitive program. In this scenario, separate worksheets must be completed, one for each of the HUD programs. If a grantee has multiple grants under one HUD program, use one worksheet per HUD program only. This worksheet has been designed for evaluating CPD's competitive programs. Although factors and subfactors are consistent for all competitive programs, CoC Program, SHP, S+C, HMIS, RHSP, and competitive grants under the HOPWA program, rating criteria may differ in some cases for CoC Program recipients.

In completing this worksheet, the Evaluator should consider the total number of all active grants funded under each program. The Evaluator will provide an assessment of the grantee, using four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The four factors include: Grant Management, Financial Management, Services & Satisfaction, and Physical Assets (Leasing and Rental Assistance). Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD competitive programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from sources including, but not limited to, consideration of the knowledge, skills and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the eligibility of activities and recipients; or problems such as the lack of progress in implementing a project; rapid staff and/or board turnover; major changes in the agency's mission or direction; lack of experience with Federal grants or project activities; and the frequency and level of technical assistance required by the grantee before and during a project. Additionally, A-133 and Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and related reporting systems such as IDIS, e-SNAPS, and LOCCS may be considered.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – GRANT MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Grantee/CoC Program Recipient Reporting Criteria: Risk is based on the grantee/CoC Program recipient meeting report deadlines with the main consideration being on the completeness and accuracy of information contained in the Annual Performance Report (APR) for homeless assistance grant programs, the Annual Progress Report for HOPWA competitive programs, and other performance information for all other competitive programs, as well as grantee responsiveness in the last three program years.					
i. Untimely, incomplete, or inaccurate reports; OR the grantee/CoC Program recipient is unresponsive to HUD requests via email, telephone, or correspondence.	High	5			No
ii. Timely, complete, and accurate reports AND the grantee/ CoC Program recipient is responsive to HUD requests.	Low	0			
B. Grantee/CoC Program Recipient Staff Capacity Criteria: Risk is based on current staff capacity of the grantee/CoC Program recipient in regards to its ability to ensure programmatic compliance with the regulations and fulfill all of its obligations as a grantee/CoC Program recipient (includes financial staff that may be separate from administrative**).** (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations, inclusive of staff assigned with oversight of project sponsors/subrecipients.)					

i. During **the last three program years**, key staff of the grantee/CoC Program recipient has demonstrated an *inability* to administer the competitive programs as evidenced through the following: (a) Serious or numerous violations of regulations; OR (b) Recurring monitoring findings or failure to resolve open findings timely; OR (c) Poor performance that is ongoing, that the grantee has failed to improve within a reasonable time period; OR (d) One or more vacancies for key staff have existed for more than six months; OR (e) More than 50% of staff are not recipients of technical assistance; OR (f) the CoC Program recipient was designated as a Unified Funding Agency; OR (g) Staff hired within the most recently completed program year or prior years has not demonstrated a basic understanding of the HUD requirements; OR (h) Two or more valid complaints from the CoC Board or membership, clients, funders, project sponsors/subrecipients, or other employees about staff capacity have been received by HUD.	High	12			No
ii.The grantee/CoC Program recipient has experienced the following: (a) A moderate to high turnover of staff; OR (b) At least 50% of the current staff are not recipients of technical assistance; OR (c) One or more vacancies for key program staff have existed for the past 3 to 6 months; OR (d) Key program staff has been hired in the past two program years BUT lack necessary experience and have not received program training.	Medium	8			
iii. The grantee/CoC Program recipient experienced any of the following: (a) No program deficiencies have been identified as evidenced through violations or findings or poor performance; AND (b) Any key staff vacancies have existed for less than three months; AND (c) Any key staff in the past program year are recipients of	Low	0			

technical assistance.					
C. Multiple HUD Programs and Multiple Grants under One HUD Program Criteria: Grantee/CoC Program recipient information regarding the number of project sponsors, subrecipients, and funding sources is found in the grantee's Annual Progress Report for HOPWA competitive programs, the Annual Performance Report for SHP, S+C, and the CoC Programs, and other competitive grantee/recipient reports.					
i. The grantee/CoC Program recipient carries out more than two HUD programs using multiple project sponsors/subrecipients, or partners, which involve more than one funding source from HUD.	High	5			No
ii. The grantee/CoC Program recipient carries out only one HUD program but has more than two grants, which involve one or more project sponsors/subrecipients.	Medium	3			
iii. The grantee/CoC Program recipient carries out only one HUD program with one grant, which involves no project sponsors/subrecipients, or partners and only one HUD funding source.	Low	0			
D. Grantee/CoC Program Recipient Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on the monitoring of the grantee/CoC Program recipient's program by HUD to ensure compliance with program requirements within the last three program years and includes the following: the grantee/CoC Program recipient's past performance in regards to the number of open and unresolved findings or monetary sanctions that have been imposed, and any OIG audits the grantee/CoC Program recipient has had, or if the grantee/CoC Program recipient has been monitored within the last three program years.					
i. Within the last three program years, the grantee/CoC Program recipient has received findings that are still open and unresolved; OR monetary sanctions have been imposed on the grantee/CoC Program recipient; OR HUD has not conducted an on-site monitoring of the competitive program within the last three years.	High	12			Flag
ii. Within the last three program years, the grantee /CoC Program recipient has received one finding that is still open and	Medium	8			

unresolved AND HUD has conducted an on-site monitoring within the last three years.					
iii. The grantee/CoC Program recipient has no open monitoring findings AND HUD has conducted an on-site monitoring within the last three years.	Low	0			
E. Grantee/CoC Program Recipient Cross-Cutting Requirement Compliance Criteria: Risk is based on whether the grantee/CoC Program recipient has received a monitoring finding within the last three program years regarding any of the cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).					
i. In the last three program years, the grantee/CoC Program recipient has received one or more findings on any of the cross-cutting programmatic requirements.	High	3			Yes
ii. None of the criteria in subfactor (i) applies.	Low	0			
Total for Grant Management Assessment (Max. 37 pts.)	**Subtotal:**				

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the grantee/CoC Program recipient accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department. The grantee/CoC Program recipient upholds generally accepted conflict of interest policies.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from information that could be obtained from, but not limited to, financial management under applications submitted in response to NOFAs, approved or amended grant/CoC Program recipient agreements, audit management systems, assessment of grantee/CoC Program recipient's drawdown history (i.e., IDIS/LOCCS/PAS), the submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, grantee performance reports and any on-site or remote monitoring information as available.

The Evaluator should award point values to Subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – FINANCIAL MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Staff Capacity for Financial Compliance Criteria: Assessment of risk for this factor is based upon financial management compliance with the competitive program regulations, financial management monitoring Exhibits for the competitive program referenced, compliance					

with OMB circulars, and other documentation available to the Evaluator.					
i. The CoC Program Recipient was designated as a Unified Funding Agency in the most recent program year; OR during the last three program years, as evidenced through information available (e.g., audits, LOCCS, citizen correspondence, previous HUD monitorings, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skills sets needed to administer the financial management responsibilities for the competitive program evaluated AND has had one or more violations of Part 84, Part 85, A-87 or A-110.	High	10			Flag
ii. During the last three program years, as evidenced as described in (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the competitive program evaluated AND has not had any violations of Part 84, Part 85, A-87 or A-110.	Medium	5			
iii. During the last three program years, financial management staff has not demonstrated a lack of knowledge or skill sets AND no financial management deficiencies have been identified as evidenced through violations or findings.	Low	0			
B. Timely Expenditures Criteria: The terms and conditions for timely expenditures for the competitive program(s) being assessed can be referenced by the program's grant/recipient agreement and/or operating instructions for that program. Timely expenditure of funds means funds are spent in proportion to the timeliness standards found in the NOFA for the year the grant was funded, the grant agreement, or in the program regulations. Timeliness requirements for the CoC Program are located at 24 CFR 578.85.					
i. A grantee/CoC Program recipient's performance has been untimely in the expenditure of funds in accordance with the grant/CoC Program recipient agreement for that program; OR a prior problem of this nature has not been resolved.	High	10			No
ii. A grantee/CoC Program recipient is performing adequately under a HUD requirement to correct an identified problem; OR the matter is minor in nature and is likely to be corrected per HUD instruction.	Medium	6			

iii. A grantee/CoC Program recipient's performance is satisfactory AND any prior problem was corrected AND no problems currently exist.	Low	0			
C. Grantee A-133 Audits Criteria: Assessment is based on the timely submission of the A-133 program audits for recipients of federal funds that expend in excess of $500,000 on an annual basis, but special emphasis is placed on whether or not the grantee/CoC Program recipient has received a finding or has received recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee/CoC Program recipient's program year.					
i. During the last three program years, the competitive grantee/CoC Program recipient has not been timely in its submission of the required A-133 audits; OR has received a finding and/or has received a recommendation in a management letter based on its current accounting practices.	High	5			No
ii. None of the criteria in subfactor (i) applies.	Low	0			
Total for Financial Management Assessment (Max. 25 pts.)	**Subtotal:**				

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD grantees/CoC Program recipients effectively and efficiently deliver services to intended beneficiaries/clientele and clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The Evaluator should consider the planned program support and how it is appropriately being carried out to address the intended range of housing needs and related supportive services issues, including any specialized efforts for sub-populations of homeless program participants (or persons with HIV/AIDS for HOPWA) or difficulty in serving the proposed number of participants or moving homeless program participants to permanent housing as well as considering information that could be obtained from, but not limited to: Freedom of Information Act (FOIA) requests, applicable NOFAs, approved grant amendment requests, annual performance plans, correspondence, release of funds requests, local-, HQ-, or grantee/recipient-generated automated reports or spreadsheets, correspondence or other communication to HUD, the grantee/CoC Program recipient's or other parties with respect to the project and any written or other responses by the grantee/CoC Program recipient, any recent problems, such as citizen complaints, newspaper articles, internet postings, Congressional inquiries, and other forms of correspondence, the grantee/CoC Program recipient/project sponsor's/subrecipient's response/failure to submit reports or respond to inquiries, and the loss of community support. The Evaluator should also include other functional issues related to carrying out and impacting on overall program activities, which include: environmental and wage requirements, flood insurance protection compliance as well as compliance with relocation and acquisition policies.

The Evaluator should award point values for Subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 3 – SERVICES & SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Grantee/CoC Program Recipient Citizen Complaints or Negative Media Exposure Criteria: Risk is based on citizen complaints received or negative media exposure to its program.					
i. Citizen complaints have been received during the last three program years through such sources as program participants, citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., AND the grantee/CoC Program recipient was found to be in violation of the competitive program regulations.	High	4			No
ii. Citizen complaints have been received during the last three program years through such sources as program participants, citizen letters, phone calls, hot line complaints, newspaper articles, internet postings, emails, etc., and the grantee/CoC Program recipient was found not to be in violation of the competitive program requirements; OR no citizen complaints have been received during the most recently completed program year as described in (i).	Low	0			
B. Grantee/CoC Program Recipient Responsiveness Criteria: Risk is based upon grantee's timely response to citizen complaints received.					
i. Grantee/CoC Program recipient has failed to respond or be responsive to complaints and/or citizen inquiries forwarded through HUD during the last three program years.	High	3			No
ii. Grantee/CoC Program recipient has responded to complaints and/or citizen inquiries; OR has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0			
C. Program Progress Based on Reports Criteria: Risk is based upon grantee/CoC Program recipient program capacity and meeting its program goals confirmed in the Annual Performance Report for SHP, S+C, CoC					

Program recipients and the Annual Progress Report for competitive grants under the HOPWA program.					
i. At time of assessment, the grantee/CoC Program recipient is operating at less than 80% of program capacity.	High	8			No
ii. At time of assessment, grantee/CoC Program recipient is operating between 81-99% of capacity.	Medium	5			
iii. Grantee/CoC Program recipient is operating at 100% of capacity.	Low	0			
D. Meeting Program Objectives Criteria: Risk is based upon grantee compliance with programmatic rules, policies, and procedures.					
i. **For all competitive grantees (including CoC Program),** proposed activities to be carried out by grantee/CoC Program recipient or subrecipients have not been on schedule during the most recently completed program year; OR activities that are being carried out do not address the intended HIV/AIDS beneficiaries, homeless population, sub-populations or needs of this program.	High	8			No
ii.**For all competitive grantees (including CoC Program)**, proposed activities to be carried out by grantee/CoC Program recipient or subrecipients are on schedule for the most recently competed program year; however, in the three most recent program years, the grantee/CoC Program recipient has not been on schedule at least once AND the grantee/CoC Program recipient has submitted a revised timetable to come into compliance.	Medium	5			
iii. **For all competitive grantees(including CoC Program)**, proposed activities to be carried out by grantee/CoC Program recipient or subrecipients have been carried out with no known problems, have been on schedule and address the beneficiaries, sub-populations or needs of this competitive program for the three most recent program years or since grant execution, if less than three program years.	Low	0			
Total for Services & Satisfaction Assessment (Max. 23 pts.)	**Subtotal:**				

FACTOR 4 – PHYSICAL ASSETS (LEASING AND RENTAL ASSISTANCE)

Factor Definition: Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

Rating Consideration: The basis for the Evaluator's rating is derived from HUD's inspection of records and reports, observation of the grantee/CoC Program recipient's proper use of established forms and procedures, information received through public comments, A-133 or other audits and other sources of information. The Evaluator should consider any existing or previously identified problems with the physical assets and the extent to which problems have been, or are likely to be corrected; whether HUD funds are used for acquisition, construction or rehabilitation activities; the number of sites at which HUD-funded physical assets are located and the activities supported by the physical asset and the extent of any previous on-site monitoring**.**

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 4 – PHYSICAL ASSETS (LEASING AND RENTAL ASSISTANCE)	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**	**Can This Be Autopopulated? Yes/No**
A. Existing or Previous Physical Asset Problems Criteria: Risk for this subfactor is based upon the design, development, maintenance, and operation of HUD-funded physical assets, and leasing, or rental assistance programs, if applicable.					
i. A problem or finding has been identified in the development, design, maintenance or operation of a HUD-funded physical asset or other physical site-related activity; and has not been resolved as of the date of this review; OR the physical asset has not been monitored within the most recent three program years; OR a problem has been identified in the housing units funded with leasing or rental assistance, or a site-related activity that has not been resolved as of the date of this review.	High	5			No
ii. An identified problem or finding with the development, design, maintenance or operation of the physical asset or leasing and/or rental assistance program is currently subject to corrective action pursuant to a HUD-approved schedule or plan; and is on schedule.	Medium	3			

iii. The development, design, maintenance and operation of the physical asset leasing and/or rental assistance program are satisfactory; OR any previously identified problem has been corrected AND no known problems exist.	Low	0			
B. Multiple Sites for Physical Assets Criteria: Risk is based upon the number of sites for where physical assets, leasing, or rental assistance are located.					
i. HUD funds are used for the acquisition, development, maintenance, or operations of physical assets, leasing, or rental assistance at two or more facility sites; OR for grants or programs with more than 12 scattered units funded through leasing or rental assistance.	High	5			No
ii. HUD funds are used for the acquisition, development, or maintenance or operation of physical assets, leasing, or rental assistance at 1 facility site or fewer than12 units of scattered sites with rental assistance.	Medium	4			
iii. HUD funds are used exclusively to support activities not related to leasing or rental assistance or the acquisition, development, maintenance or operation of a physical asset such as any of the following: supportive services, counseling, training, organizational capacity building, etc.	Low	0			
C. Acquisition, Construction, Rehabilitation of Physical Assets, Leasing, OR Rental Assistance Criteria: Assessment of this subfactor is based upon grantee/CoC Program recipient's use of program funds for acquisition, construction, and rehabilitation, leasing, or rental assistance.					
i. **If evaluating a competitive SHP, S+C, SRO, or CoC Program recipient**- funds are used for the acquisition, construction, rehabilitation, leasing, or rental assistance of 24 or more units of a physical asset; OR funds are used at an existing property for housing or residential programs and the grantee/recipient has not followed the requirements for disposition. **For HOPWA grantees**- HUD funds are used for the acquisition, construction, or rehabilitation of twelve or more units of a physical asset; OR funds are used at an existing property for housing or residential programs and the grantee has not followed the requirements for disposition.	High	5			No

ii. If **evaluating a competitive SHP, S+C, SRO, or CoC Program recipient-** funds are used for the acquisition, construction, rehabilitation, leasing, or rental assistance of fewer than 12 units; OR are used at an existing property for housing, supportive services; OR funds are used at an existing property for housing or residential programs and the grantee/recipient has not followed the requirements for disposition. **For HOPWA grants-** HUD funds are used for the acquisition, construction, or rehabilitation or rental assistance of eleven or fewer units of a physical asset; OR are used at an existing property currently used for housing or residential programs; OR funds are used at an existing property for housing or residential programs and the grantee has not followed the requirements for disposition.	Medium	3			
iii. **If evaluating a competitive SHP, S+C, SRO, or CoC Program recipient-** no funds are used for the acquisition, construction, or rehabilitation, leasing, or rental assistance of a physical asset; OR are used at an existing property for housing or residential programs. **For HOPWA programs-** HUD funds are used for the acquisition, construction, or rehabilitation or rental assistance of fewer than eleven units of a physical asset; OR are used at an existing property currently used for housing or residential programs and the grantee has followed the requirements for disposition.	Low	0			
Total for Physical Assets Assessment (Max. 15 pts.)	**Subtotal:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	37	
2. Financial Management	25	
3. Services & Satisfaction	23	
4. Physical Assets (or Rental Assistance)	15	
Total	**100**	

Part II - To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, D, X)	

Exceptions:

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last two years and all findings and concerns have been addressed and closed.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
D. Discretionary Monitoring.
X. Other.

CPD Management Representative(s) _____ Date: _____

Attachment B-1

CDBG Summary Risk Analysis Worksheet

Grantee: _____ **Fiscal Year Review:** _____

Name of Evaluator: _____ **Date:** _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 –Grant Management		
A. Grantee Reporting	(4/2/0)	
B. Grantee Staff Capacity and Program Design	(14/8/0)	
C. Grantee Program Complexity	(10/6/0)	
D. Grantee Open or Stalled Activities	(4/2/0)	
E. Grantee Findings and Sanctions (Monitoring and OIG)	(10/6/0)	
F. Grantee's Management of Subrecipients	(8/5/0)	
G. Grantee Cross-Cutting Requirement Compliance	(2/0)	
Subtotal for Grant Management	**(Max. 52 pts.)**	
Factor 2 – Financial Management		
A. Grantee Financial Staff Capacity	(8/4/0)	
B. Monitoring Finding Resulting in Repayment or Grant Reduction	(12/6/0)	
C. CDBG Grant Amount	(12/8/0)	
D. Grantee Program Income	(4/2/0)	
E. Grantee A-133 Audits	(4/0)	
F. Grantee's Portfolio Includes RLF(s) or Float-Funded Activities	(2/0)	
G. Grantee's Portfolio Includes Section 108 Loan and/or BEDI/EDI	(3/1/0)	
Subtotal for Financial Management	**(Max. 45 pts.)**	
Factor 3 – Services & Satisfaction		
A. Grantee Citizen Complaints or Negative Media Exposure	(2/0)	
B. Grantee Responsiveness	(1/0)	
Subtotal for Services & Satisfaction	**(Max. 3 pts.)**	
Total Overall CDBG Risk Score	**(Max. 100 pts.)**	

Attachment B-2

CDBG Disaster Recovery (CDBG-DR)
Summary Risk Analysis Worksheet

Grantee: _____ **Fiscal Year Review:** _____

Name of Evaluator: _____ **Date:** _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 –Grant Management		
A. Grantee Reporting	(8/4/0)	
B. Grantee Staff Capacity and Program Design	(14/10/0)	
C. Grantee Program Complexity	(10/6/0)	
D. Grantee Findings and Sanctions (Monitoring and OIG)	(10/6/0)	
E. Grantee's Management of Subrecipients	(8/6/0)	
F. Grantee Cross-Cutting Requirement Compliance	(2/0)	
Subtotal for Grant Management	**(Max. 52 pts.)**	
Factor 2 – Financial Management		
A. Grantee Financial Staff Capacity	(8/4/0)	
B. Monitoring Finding Resulting in Repayment or Grant Reduction	(12/6/0)	
C. CDBG-DR Grant Amount	(12/6/0)	
D. Grantee Program Income	(4/2/0)	
E. Grantee A-133 Audits	(4/0)	
F. Grantee's Portfolio Includes RLF(s) or Float-Funded Activities	(2/0)	
G. Disaster Recovery Enhancement Fund (DREF)	(3/0)	
Subtotal for Financial Management	**(Max. 45 pts.)**	
Factor 3 – Services & Satisfaction		
A. Grantee Citizen Complaints or Negative Media Exposure	(2/0)	
B. Grantee Responsiveness	(1/0)	
Subtotal for Services & Satisfaction	**(Max. 3 pts.)**	
Total Overall CDBG-DR Risk Score	**(Max. 100 pts.)**	

Attachment B-3

NSP-1, NSP-2, NSP-3 Summary Risk Analysis Worksheet

Grantee: _____ Fiscal Year Review: _____

Name of Evaluator: _____ Date: _____

Note: The CDBG worksheet should be completed prior to completing this worksheet. The subfactors listed under Factors 1-3 on this worksheet are similar to several subfactors listed for the CDBG program. The NSP scores under these subfactors should be similar to the scores assigned for the CDBG program.

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Grant Management		
A. Grantee Reporting	(4/2/0)	
B. Grantee Staff Capacity and Program Design	(14/8/0)	
C. Grantee Program Complexity	(8/4/0)	
D. Grantee Disposition and Land Banking	(4/2/0)	
E. Grantee Findings and Sanctions (Monitoring and OIG)	(10/6/0)	
F. Grantee's Management of Subrecipients	(4/2/0)	
G. Grantee Rental Properties	(6/4/0)	
H. Grantee Cross-Cutting Requirement Compliance	(2/0)	
Subtotal for Grant Management	**(Max. 52 pts.)**	
Factor 2 – Financial Management		
A. Grantee Financial Staff Capacity	(8/4/0)	
B. Monitoring Finding Resulting in Repayment or Grant Reduction	(12/6/0)	
C. NSP Grant Amount	(12/8/0)	
D. Grantee Program Income	(4/2/0)	
E. Grantee A-133 Audits	(4/0)	
F. Grantee Portfolio Includes RLF(s) or Float-Funded Activities	(2/0)	
G. Grantee Loan Servicing	(3/2/0)	
Subtotal for Financial Management	**(Max. 45 pts.)**	
Factor 3 – Services & Satisfaction		
A. Grantee Citizen Complaints or Negative Media Exposure	(2/0)	
B. Grantee Responsiveness	(1/0)	
Subtotal for Services & Satisfaction	**(Max. 3 pts.)**	
Total Overall NSP Risk Score	**(Max. 100 pts.)**	

Attachment B-4

HOME Summary Risk Analysis Worksheet

Grantee: _____ Fiscal Year Review: _____

Name of Evaluator: _____ Date: _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Grant Management		
A. PJ Staff Capacity	(10/8/0)	
B. Scale of Operations	(10/8/0)	
C. New Program/Large Projects	(5/0)	
D. Project Progress	(7/0)	
E. Management of Funded Entities	(10/8/0)	
F. PJ Findings and Sanctions (Monitoring and OIG)	(8/0)	
G. PJ Cross-Cutting Requirement Compliance	(5/0)	
Subtotal for Grant Management	**(Max. 55 pts.)**	
Factor 2 – Financial Management		
A. Staff Capacity for Financial Compliance	(10/8/0)	
B. Commitments and Expenditures	(7/5/0)	
C. Program Income	(3/2/0)	
D. PJ A-133 Audits	(5/0)	
Subtotal for Financial Management	**(Max. 25 pts.)**	
Factor 3 – Services & Satisfaction		
A. PJ Citizen Complaints or Negative Media Exposure	(5/3/0)	
B. PJ Responsiveness	(5/0)	
Subtotal for Services & Satisfaction	**(Max. 10 pts.)**	
Factor 4 – Physical		
A. Physical Condition of Projects	(10/0)	
Subtotal for Physical	**(Max. 10 pts.)**	
Total Overall HOME Risk Score	**(Max. 100 pts.)**	

Attachment B-5

ESG Summary Risk Analysis Worksheet

Recipient: _____ Fiscal Year Review: _____

Name of Evaluator: _____ Date: _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Grant Management		
A. Recipient Reporting	(3/2/0)	
B. Recipient Staff Capacity	(5/3/0)	
C. Program Complexity	(5/3/0)	
D. Recipient Findings and Sanctions (Monetary and OIG)	(17/8/0)	
E. Recipient Cross-Cutting Requirement Compliance	(2/0)	
Subtotal for Grant Management	**(Max. 32 pts.)**	
Factor 2 – Financial Management		
A. Staff Capacity for Financial Compliance	(10/5/0)	
B. Grant Amount	(3/2/0)	
C. Recipient A-133 Audits	(2/0)	
D. Program Administration Cap	(5/3/0)	
E. 24-Month Expenditure Provisions	(10/5/0)	
Subtotal for Financial Management	**(Max. 30 pts.)**	
Factor 3- Services & Satisfaction		
A. Recipient Citizen Complaints or Negative Media Exposure	(3/2/0)	
B. Recipient Responsiveness	(2/0)	
C. Meeting Program Objectives	(10/5/0)	
D. Homelessness Prevention	(5/3/0)	
E. Street Outreach and Emergency Shelter	(5/3/0)	
Subtotal for Services & Satisfaction	**(Max. 25 pts.)**	
Factor 4 – Physical		
A. Physical Condition of Emergency Shelters	(13/6/0)	
Subtotal for Physical	**(Max. 13 pts.)**	
Total Overall ESG Risk Score	**(Max. 100 pts.)**	

Attachment B-6

HOPWA Summary Risk Analysis Worksheet

Grantee: _____ Fiscal Year Review: _____

Name of Evaluator: _____Date: _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Grant Management		
A. Grantee Reporting	(5/0)	
B. Grantee Staff Capacity	(15/11/0)	
C. Program Complexity	(5/3/0)	
D. Grantee Findings and Sanctions (Monetary and OIG)	(10/6/0)	
E. Grantee Cross-Cutting Requirement Compliance	(3/0)	
Subtotal for Grant Management	**(Max. 38 pts.)**	
Factor 2 – Financial Management		
A. Staff Capacity for Financial Compliance	(15/9/0)	
B. Timeliness	(10/6/0)	
C. Grantee A-133 Audits	(5/0)	
D. Program Administration Cap	(5/3/0)	
Subtotal for Financial Management	**(Max. 35 pts.)**	
Factor 3 – Services & Satisfaction		
A. Grantee Citizen Complaints or Negative Media Exposure	(4/0)	
B. Grantee Responsiveness	(3/0)	
C. Meeting Program Objectives	(5/3/0)	
Subtotal for Services & Satisfaction	**(Max. 12 pts.)**	
Factor 4 – Physical Assets		
A. Existing or Previous Physical Asset Problems	(5/3/0)	
B. Acquisition, Construction and Rehabilitation of Physical Assets	(5/3/0)	
C. Multiple Sites for Physical Assets	(5/3/0)	
Subtotal for Physical Assets	**(Max. 15 pts.)**	
Total Overall HOPWA Risk Score	**(Max. 100 pts.)**	

Attachment B-7

Competitive Grants Risk Analysis Worksheet

Grantee: _____ **Fiscal Year Review:** _____

Name of Program: _____

Name of Evaluator: _____ **Date:** _____

Total Number of Open Grants: _____**Total Dollar Value of Open Grant(s):** _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Grant Management		
A. Grantee/CoC Program Recipient Reporting	(5/0)	
B. Grantee/CoC Program Recipient Staff Capacity	(12/8/0)	
C. Multiple HUD Programs and Multiple Grants under One HUD Program	(5/3/0)	
D. Grantee/CoC Program Recipient Findings and Sanctions (Monitoring and OIG)	(12/8/0)	
E. Grantee/CoC Program Recipient Cross-Cutting Requirement Compliance	(3/0)	
Subtotal for Grant Management	**(Max. 37 pts.)**	
Factor 2 – Financial Management		
A. Staff Capacity for Financial Compliance	(10/5/0)	
B. Timely Expenditures	(10/6/0)	
C. Grantee A-133 Audits	(5/0)	
Subtotal for Financial Management	**(Max. 25 pts.)**	
Factor 3 - Services & Satisfaction		
A. Grantee/CoC Program Recipient Citizen Complaints or Negative Media Exposure	(4/0)	
B. Grantee/CoC Program Recipient Responsiveness	(3/0)	
C. Program Progress Based on Reports	(8/5/0)	
D. Meeting Program Objectives	(8/5/0)	
Subtotal for Services & Satisfaction	**(Max. 23 pts.)**	
Factor 4 - Physical Assets (Leasing or Rental Assistance)		
A. Existing or Previous Physical Asset Problems	(5/3/0)	
B. Multiple Sites for Physical Assets	(5/4/0)	
C. Acquisition, Construction, Rehabilitation of Physical Assets Leasing, OR Rental Assistance	(5/3/0)	
Subtotal for Physical Assets (Leasing or Rental Assistance)	**(Max. 15 pts.)**	
Total Overall Competitive Risk Score	**(Max. 100 pts.)**	

Attachment C-1

Formula Composite Summary Worksheet

Grantee	CDBG	CDBG-DR	NSP-1	NSP-3	HOME	ESG	HOPWA	Total Score	Average Score	Rank	Exception Code	Exception Comments	Mgmt. Rep. Initials

Key to Formula Programs

Acronym	Program
CDBG	Community Development Block Grant Program
CDBG-DR	Community Development Block Grant Program Disaster Recovery
NSP-1, NSP-3	Neighborhood Stabilization Program (1 & 3)
HOME	Home Investment Partnerships Program
ESG	Emergency Solutions Grants Program
HOPWA	Housing Opportunities for Persons With AIDS

Attachment C-2

Competitive Composite Summary Worksheet

Grantee	NSP-2	HOPWA	S+C	SHP	SRO	RHSP	CoC	Total	Average Score	Rank	Exception Code	Exception Comments	Mgmt. Rep. Initials

Key to Competitive Programs

Acronym	Program
NSP-2	Neighborhood Stabilization Program 2
HOPWA Competitive	Housing Opportunities for Persons With AIDS Competitive
SRO	Section 8 Single Room Occupancy Moderate Rehabilitation
S + C	Shelter Plus Care
SHP	Supportive Housing Program
RHSP	Rural Housing Stability Assistance Program
CoC	Continuum of Care Program

Attachment D-1

Formula Exception Report

(Use codes A, B, C, D, or X as appropriate, justification for code X must be provided.)

Grantee Name	Risk Ranking	Exception Code	Reason for Exception
Grantee T	**2**	**A**	**See Section VI, Step 2 of Notice**
Grantee W	**6**	**X**	**Two grant programs were assessed high-risk but only one was monitored within the last two years.**
Grantee Z	**4**	**B**	**See Section VI, Step 2 of Notice**

Attachment D-2

Competitive Exception Report

(Use codes A, B, C, D, or X as appropriate, justification for code X must be provided.)

Grantee Name	Risk Ranking	Exception Code	Reason for Exception
Grantee H	**2**	**A**	**See Section VI, Step 2 of Notice**
Grantee U	**6**	**X**	**Grantee was monitored in 2013. The field office will provide TA and clear open findings.**
Grantee D	**4**	**B**	**See Section VI, Step 2 of Notice**

Attachment E-1 **REVISED 03-01-2017**

CPD Monitoring Handbook 6509.2 REV-7 Exhibits by Risk Factor and Program/Specialty Area [4]

Program /Specialty Area	Grant Management Exhibit #	Financial Management Exhibit #	Services & Satisfaction Exhibit #	Physical Exhibit #
CDBG (Chapter 3)	3-10	3-14	3-1	
	3-16	3-18	3-2	
	3-17	3-19	3-3	
	3-18	3-20	3-4	
	3-19	3-21	3-5	
	3-20		3-6	
	3-22		3-7	
	3-24		3-8	
			3-9	
			3-11	
			3-12	
			3-13	
			3-15	
			3-19	
			3-20	
			3-23	
			3-25	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
State CDBG (Chapter 4)	4-1	4-4	4-1	
	4-2	4-5	4-2	
	4-6	4-7	4-3	
	4-7	4-8	4-4	
	4-9	4-9	4-9	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Section 108/EDI/BEDI (Chapter 5)			5-1	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Disaster Recovery (Chapter 6)	6-1	6-7	6-2	
	6-2	6-8	6-3	
	6-3	6-9	6-4	
	6-4		6-5	
	6-5		6-6	
	6-6			
	6-7			
	6-8			
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
HOME (Chapter 7)	7-1	7-13		7-3
	7-2	7-20		7-5
	7-4	7-21		7-7
	7-6	7-22		7-9
	7-8	7-23		
	7-10			
	7-11			
	7-12			

[4] This Attachment lists all Exhibits currently in REV-7 of *CPD Monitoring Handbook 6509.2*, which was issued February 2017.

	7-14			
	7-15			
	7-16			
	7-17			
	7-18			
	7-19			
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
NSP (Chapter 8)	8-10	8-10	8-10	
	8-11	8-11	8-11	
	8-12	8-12	8-12	
	8-13	8-13	8-13	
	8-14	8-14	8-14	
	8-15	8-15	8-15	
	8-16	8-16	8-16	
	8-17	8-17	8-17	
	8-19	8-19	8-19	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
CDBG-R (Chapter 8)	8-18	8-18	8-18	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
HOPWA (Chapter 10)	10-1	10-3	10-1	10-2
	10-4	10-4	10-2	
		10-5	10-4	
		10-6		
		10-7		
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Section 8 SRO (Chapter 11)	11-3		11-1	
			11-2	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Shelter Plus Care (Chapter 12)	12-5	12-4	12-1	12-2
	12-6	12-7	12-3	
	12-8		12-8	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
SHP (Chapter 13)	13-6	13-5	13-1	13-3
	13-7	13-8	13-2	
	13-12	13-9	13-4	
	13-13	13-10	13-13	
		13-11		
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
EZs (Chapter 14)	14-3	14-5	14-1	
	14-4	14-6	14-2	
	14-9	14-7		
		14-8		
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
RHED (Chapter 16)		16-3	16-1	
		16-4	16-2	
		16-5		
		16-6		

		16-7		
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Citizen Participation (Chapter 19)	19-3		19-1	
	19-4		19-2	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Environmental (Chapter 21)	21-1		21-3	
	21-2		21-4	
	21-13		21-5	
			21-6	
			21-7	
			21-8	
			21-9	
			21-10	
			21-11	
			21-12	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
FHEO (Chapter 22)	22-1		22-6	
	22-2		22-7	
	22-3			
	22-4			
	22-5			
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Labor (Chapter 23)	23-1			
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Lead Hazards (Chapter 24)				24-1
				24-2
				24-3
				24-4
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Relocation (Chapter 25)	25-1		25-2	25-7
	25-8		25-3	
			25-4	
			25-5	
			25-6	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Flood Insurance Protection. (Chapter 27)	27-1		27-1	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Emergency Solutions Grants Program (Chapter 28)	28-1	28-7	28-1	28-5
	28-2	28-8	28-4	28-6
	28-3	28-9	28-5	
		28-10	28-6	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Continuum of Care (CoC) Program (Chapter 29)	29-1	29-11	29-1	29-5
	29-2	29-12	29-5	29-6
	29-3	29-13	29-6	29-7
	29-4	29-14	29-7	29-9

	29-10		29-8	
			29-9	
			29-10	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Community Capital Initiatives (Chapter 30)	30-1	30-1	30-2	
	30-2	30-2		
	30-3			
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Self-Help Homeownership Opportunity Program (Chapter 31)	31-1	31-1	31-1	
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Rural Capacity Building for Community Development and Affordable Housing Grants (RCB) (Chapter 32)	32-1	32-2	32-1	32-6
	32-4	32-3		
	32-5	32-4		
		32-5		
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
Capacity Building for Community Development and Affordable Housing Grants (Section 4) (Chapter 33)	33-1	33-2	33-1	33-6
	33-4	33-3		
	33-5	33-4		
		33-5		
Program /Specialty Area	**Grant Management**	**Financial Management**	**Services & Satisfaction**	**Physical**
2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Chapter 34)	34-3	34-1		34-4
		34-2		
		34-3		
		34-4		