

CHAPTER 4. PROGRAM ADMINISTRATION

- 4-1 GENERAL The majority of ARC funds are administered in conjunction with Community Development Block Grants. Administration of ARC grants will be governed by Community Development Block Grant (CDBG) regulations and must meet the basic requirements of the CDBG program.
- 4-2 CDBG ELIGIBILITY The proposed activity must be eligible for assistance under the CDBG program and must meet a national objective.
- 4-3 COMPLIANCE WITH APPLICABLE FEDERAL LAWS The State or the HUD Field Office must ensure that ARC funds administered in conjunction with CDBG funds comply with all applicable Federal laws. The State or the HUD Field Office, as applicable, must conduct reviews and audits of these recipients as may be necessary to determine compliance with applicable laws and Title I requirements.
- 4-4 ADMINISTRATION The grantee is responsible for administering the ARC projects. However, the grantee could contract administration of the ARC grants to public agencies or political subdivisions other than units of general local government, or nonprofit agencies. However, the local government recipient has ultimate responsibility for program administration and compliance, even when it has contracted out the administration of its ARC funds.
- 4-5 MONITORING State and HUD Field Office monitoring must be conducted in conjunction with Title I CDBG grants and must cover the following review areas:
 - A. The performance of ARC's applicant regarding implementation of ARC Resolution Number 31 concerning maximum feasible employment of local labor and other funding as required in the ARC funding approval; and
 - B. Whether the total ARC contribution for projects assisted under Section 214 of Title II of the Appalachian Regional Development Act of 1965, as amended, is limited to 80 percent of the total project costs.

- 4-6 TIMELY START OF WORK The Commission may revoke or revise its approval of any project if the intended work is not started or placed under contract within 18

months after the date of the grant agreement.

- 4-7 CHANGES IN SCOPE OF WORK The Federal Co-Chairman in ARC shall approve any significant changes in the scope of work or significant budget amendments made after ARC approval. Therefore, the HUD Office of Block Grant Assistance shall report to ARC, as applicable, any proposed significant changes.
- 4-8 PROJECT CANCELLATION The HUD Field Office must deobligate any funds for projects that are cancelled and notify the Office of Block Grant Assistance (OBGA) in Headquarters. OBGA will request OFA to return the funds to ARC.