FY 2021 CDBG – ESG PROPOSALS

July 7, 2020 Virtual Training Session
CITY OF EVANSVILLE
DEPARTMENT OF METROPOLITAN DEVELOPMENT

COMMUNITY DEVELOPMENT STAFF

- Kelley Coures – Executive Director
- Jane Reel – Deputy Director
- Kolbi Jackson – Community Development Coordinator
- Donna Bailey – Community Development Specialist
- Gayl Killough – Community Development Specialist
- Beth Purtzer – Community Development Specialist
- Dalton Boszé – Community Development Specialist
- Glenn Schoenbaechler – Property Inspector
TIMELINE:
2021 Program Year: July 1, 2021 to June 30, 2022

- July 7, 2020 – Virtual 2021 CDBG/ESG Grant Training
- July 7, 2020 – CDBG and ESG Proposals available on City Website
- July 17, 2020 – Agency deadline to schedule Proposal Review meeting with CD Specialist
- August 17, 2020 – Last date for Proposal Review meetings with CD Specialist
- August 24, 2020 – All 2021 CDBG & ESG Proposals are due to DMD by 4:00 pm
- January, 2021 – date to be determined – CAC Presentations
- March, 2021 – date to be determined – City Council Presentations
HUD Allocations
CDBG and ESG

Timeline (ONGOING)

Monthly Monitoring Reports

Financial Responsibility

Proposals

CDBG Overview

ESG Overview
HUD RESOURCES

• The City of Evansville must follow HUD Regulations in the use of CDBG funds (Subpart A 570)
• Guidance and links to HUD regulations can be found at the City of Evansville, Community Development website:
  
  • [www.evansville.in.gov/communitydevelopment](http://www.evansville.in.gov/communitydevelopment)
CDBG REVIEW

National Objectives
Activities funded with CDBG must meet one of HUD’s 3 National Objectives

1. Benefit Low- and Moderate Income Persons/Households
2. Eliminate Conditions of Slum and Blight
3. Meet a Community Urgent Need (NA)
National Objectives

1. Benefit low-and moderate-income (LMI) persons/households

a) Area benefit activities
   • This is an activity which benefits all residents in a particular area, where at least 51% of the residents are LMI persons.
### 2020 INCOME GUIDELINES

#### 2020 HUD INCOME GUIDELINES
For the Evansville Metropolitan Statistical Area
Median Income - $74,800  As of July 1, 2020

<table>
<thead>
<tr>
<th>Number in Household</th>
<th>30% of Median (Extremely Low Income)</th>
<th>50% of Median (Very Low Income)</th>
<th>80% of Median (Low Income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td>15,250</td>
<td>25,400</td>
<td>40,600</td>
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<tr>
<td>2 Persons</td>
<td>17,400</td>
<td>29,000</td>
<td>46,400</td>
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<tr>
<td>3 Persons</td>
<td>19,600</td>
<td>32,650</td>
<td>52,200</td>
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<tr>
<td>4 Persons</td>
<td>21,750</td>
<td>36,250</td>
<td>58,000</td>
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<tr>
<td>5 Persons</td>
<td>23,500</td>
<td>39,150</td>
<td>62,650</td>
</tr>
<tr>
<td>6 Persons</td>
<td>25,250</td>
<td>42,050</td>
<td>67,300</td>
</tr>
<tr>
<td>7 Persons</td>
<td>27,000</td>
<td>44,950</td>
<td>71,950</td>
</tr>
<tr>
<td>8 Persons</td>
<td>28,750</td>
<td>47,850</td>
<td>76,600</td>
</tr>
</tbody>
</table>
National Objectives continued

b) Limited Clientele (LMC) 51% LMI
   - Presumed Benefit (LMC/PB) Must serve certain clientele exclusively
     - Abused children
     - Elderly (62 years or older)
     - Battered spouses
     - Severely disabled adults
     - Illiterate adults
     - Persons living with HIV/AIDS
     - Migrant farm workers
     - Homeless persons
National Objectives continued

c) Housing Benefit (LMH)
   • Single Family – 100% LMI
   • Multi-Family – 51% LMI

d) Job Creation/Retention (LMJ)
   • 51% of jobs taken by or available to LMI persons
National Objectives continued

2. Prevent or Eliminate Slum or Blight
   a) Area Basis (SBA)
      • areas determined by local ordinance
   b) Spot Basis (SBS)
      • Properties determined by local ordinance
National Objectives continued

3. Meet a Community Urgent Need
   a) This objective is designed for activities which alleviate emergency conditions such as hurricanes, earthquakes, tornadoes etc.
CDBG ELIGIBLE ACTIVITIES.

- Acquisition of Real Property
- Clearance
- Code Enforcement
- Construction of Housing
- Disposition
- Homeownership Assistance
- Interim Assistance
- Loss of Rental Income
- Microenterprise Assistance
- Miscellaneous Other Activities

- Planning and Capacity Building
- Privately-Owned Utilities
- Program Administration Costs
- Public Facilities and Improvements
- Public Services
- Rehabilitation
- Relocation
- Special Activities by CBDOs
- Special Economic Development Activities
CDBG INELIGIBLE ACTIVITIES.

The following activities may not be assisted with CDBG funds under any circumstance:

• Buildings or portions thereof, used for the general conduct of government
• General government expenses
• Political activities
The following activities may not be assisted with CDBG funds unless authorized as Special Economic Development Activities under §570.203 or when carried out by a Community Based Development Organization (CBDO) under the provisions of §570.204.

- Purchase of equipment.
- Construction equipment.
- Fire protection equipment.
- Furnishings and personal property.
- Operating and maintenance expenses.
- New housing construction.
- Income payments.
Eligible activities are so broad that it is easy to forget that some things cannot be done under the program.

Some activities will require an Eligibility Review by CD Staff to provide guidance in determining the eligibility of other activities frequently associated with housing and community development.
HUD Allocations
CDBG and ESG

Timeline (ONGOING)

Monthly Monitoring Reports

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CDBG Overview

ESG Overview
In Evansville there are 445 individuals in shelter or transitional housing on any given night.

- 50-60 homeless individuals on the street or places not meant for habitation.
- More than 2000 homeless served annually.
- Shelters stay at maximum capacity all year.
- HUD’s goal is to lessen the length of stay in shelter and move to permanent housing faster.
- Coordinated Entry Assessment prioritizes the homeless.
ESG REGION 12 GOALS

The Region 12 Charter adopted on 12/14/2012 includes these 11 goals:

1. Decrease shelter stays by increasing rapid rehousing to stable housing.
2. Reduce recidivism of households experiencing homelessness.
3. Decrease the number of Veterans experiencing homelessness.
4. Decrease the number of persons experiencing Chronic Homelessness.

5. Decrease the number of homeless households with children.

6. Increase the percentage of participants in Continuum of Care funded projects that are employed at exit to 38 percent or higher.

7. Increase persons experiencing homelessness’s access to mainstream resources.
8. Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.

9. Improve homeless outreach and triage to housing and services.

10. Improve HMIS data quality and coverage, and use data to develop strategies and polices to end homelessness.

11. Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.
# ESG Eligible Activities

<table>
<thead>
<tr>
<th>Component</th>
<th>Serving:</th>
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<tbody>
<tr>
<td></td>
<td>Those who are Homeless</td>
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<tr>
<td>1. Street Outreach</td>
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<td>2. Emergency Shelter</td>
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<tr>
<td>3. Homelessness Prevention*</td>
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<td>4. Rapid Housing</td>
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<td>5. Administration</td>
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<tr>
<td>Data Collection:</td>
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<td>6. Homeless Management Information System (HMIS)</td>
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<td>(provided by IHCDA)</td>
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Details and instructions are located at 24 CFR 576 – Subpart B – Program Components and Eligible Activities (24 CFR 576.100 – 109)  
* Default to Rapid Re-Housing
ACCOUNTING RECORDS

Source documentation required (match/leverage included):

All expenditures must be supported by appropriate source documentation: copies of canceled checks, invoices, purchase orders, receipts, time distribution reports, bank statements, complete lease agreements, eviction notices, notices of termination, etc.

Also, ensure program costs were:

✓ Expended on eligible items
✓ Incurred for proper time period
✓ Approved by appropriate officials
✓ Actually dispersed
RECORD RETENTION

• Recipients of federal funds are responsible for proper recordkeeping and retention. Records should be sufficient to establish an audit trail for all transactions involving federal funds. An audit trail for federal funds originates with the preparation of the grant proposal or contract proposal, and includes adequate records to support statements in the proposal document.

• ESG records must be kept 5 years after the conclusion (Close-out) of the program; effectively 6 years.
MATCH REQUIREMENTS

• Each ESG sub-recipient, must match funding provided with an equal amount of funds from other sources.
• Matching funds must be related to expenditures occurring after the date of grant award.
• Funds used to match a previous ESG grant may not be used to match a subsequent grant award.

24 CFR 576.201 contains match requirements
MATCH REQUIREMENTS (CONT'D)

In general, matching funds provided may consist of:

• Amount of funds from other sources;
• Salary paid to staff (not included in the award) to carry out the project of Grantee;
• The value of any donated material or building, or of any lease, calculated using a reasonable method to establish a fair market value;
• Time contributed by volunteers; and
• Through matching funds or voluntary efforts provided by any recipient or project sponsor.
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Proposals
The 2021 CDBG and ESG proposals will be available on the City of Evansville, Community Development website by July 7th, 2020:

- [www.evansville.in.gov/cdfederalprograms](http://www.evansville.in.gov/cdfederalprograms)

The Conflict of Interest Statement will also be available at this location.
PROPOSAL TIMELINE

- Agency **Mandatory** Appointment to be scheduled with CD staff for Proposal review: July 7\textsuperscript{th} to July 17\textsuperscript{st}.

![Calendar Image]

**JULY 2020**
**PROPOSAL TIMELINE continued**

**2021 Approved Proposals due: August 24th**

**AUGUST 2020**

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PROPOSAL SUBMITTAL PROCESS

- Attendance at Proposal training session is mandatory

- Proposals available on City website by July 7th, 2020

- Complete Proposal and schedule review appointment with corresponding CD Specialist

- After review appointment with CD Specialist, make edits as needed and submit **Word format ONLY** copy of proposal via email to Specialist. Include all supporting documentation as required with final proposal

- Deliver final, signed copy of proposal with $20.00 filing fee (**checks required, no cash please**) for **each** proposal submitted to DMD, Room 306 Civic Center Complex by 4:00 pm on August 24th.
SUMMARY OF PROPOSAL:

Both the CDBG and ESG Proposals are divided into (4) sections.

- General Information
- Project information
- Financial
- Affiliations and Board of Directors Information
GENERAL INFORMATION

CDBG PROPOSAL

- # 3) IRS Determination letter and Federal ID# or 501 (c) (3) or (4) certification
- # 3a) CBDO certification letter
- #4) SAM registration verification

ESG PROPOSAL

- # 3) IRS Determination letter and Federal ID# or 501 (c) (3) or (4) certification
- #4) SAM registration verification
PROJECT INFORMATION

CDBG PROPOSAL

▶ # 9) Needs and Priority
Con plan – provide anticipated needs and priority

▶ # 11a) Income verification

▶ #12) Anticipated Accomplishment and Expenditures

ESG PROPOSAL

▶ # 9) Needs and Priority

▶ # 10a) Income verification

▶ #11) Anticipated Accomplishment and Expenditures
FINANCIAL

CDBG PROPOSAL

► # 16) Audit Report
► # 22) Resumes
► # 23-24) Sources and Uses Statements

ESG PROPOSAL

► # 15) Audit Report
► # 20) Resumes
► # 21) Sources and Uses Statements
AFFILIATIONS AND BOARD OF DIRECTORS INFORMATION

CDBG PROPOSAL

- # 28) MOU’s if applicable
- # 29) Complete list of board members and Policy and Procedures for Board member participation

ESG PROPOSAL

- # 26) Complete list of board members and Policy and Procedures for Board member participation
- # 28) Board target formerly homeless individuals
There are several additional documents to be included with the grant proposals:

- Separate Verification Page – Original signature required
- Conflict of Interest Questionnaire – complete one for each program submitted

**ALL DOCUMENTS LISTED ABOVE WILL BE AVAILABLE ON THE CITY WEBSITE AS OF JULY 7TH, 2020.**
SUMMARY OF REQUIRED ATTACHMENTS

- Current 501 C (3) or 501 C (4) Documents
- CBDO Certification letter (if applicable)
- Verification of current SAM status - NEW
- Most recent Audit report
- Resumes, etc....
- Current MOU’s (if applicable)
- Complete List of Board Members
- Policy and Procedures for Board Member participation
- Conflict of Interest Statement
FINANCIAL TRAINING OUTLINE

- Subject 1: Invoicing
- Subject 2: Reconciliation Responsibilities
- Wrap-up
**SUBJECT 1: INVOICING**

- Procedure and Guidelines
  - See ‘How to Properly Submit Claims for Payment’ Updated May 2019 instructions.
  - City policy is to pay bills using original invoices, not statements or other documents. The City follows Indiana State Board of Accounts guidelines for accounts payable processing.
    - One on One Agency Training: HOW TO PROPERLY SUBMIT CLAIMS FOR PAYMENT will be held when first contracts for the new Grant Year are signed. This is to be held with person(s) responsible for preparing claims and person(s) responsible for signing claims.

- Time Tracking
  - When an agency employee works on more than one program (project), it is the agencies responsibility to provide time tracking documentation.
  - Detailed spreadsheets need to be provided to track hours worked by each agency employee for each project and show total hours worked by employee during the pay period.
    - If documentation is not provided, invoice(s) will be returned to agency.
  - All time sheets/spreadsheets should be signed by agency employee and supervisor.
Grantees should be maintaining and reconciling their own books.

The Community Development (CD) Specialist will also be keeping a set of books and reconciling to the revenues (grant funds) and expenditure reports when they are issued.
WRAP-UP

- Summarize important points.
  - DMD follows Indiana State Board of Accounts and HUD guidelines for agency invoice processing.
  - Time tracking has many rules and regulations.

- Review Handout: HOW TO PROPERLY SUBMIT CLAIMS FOR PAYMENT Updated May 2019.
IMPORTANT INFORMATION ON:
HOW TO PROPERLY SUBMIT CLAIMS FOR PAYMENT
Department of Metropolitan Development

This document will be reviewed at annual Grant Training for future grant year and when the current grant contacts are signed, as there is so much time between the training and when contacts are signed.

Once received by DMD each claim is reviewed a minimum of four (4) times before the claim is submitted for payment. In order to save time and prevent delays with claim processing it is important that you check to be sure you have submitted all the required back-up information and that your figures add up.

Claims are paid on a reimbursement basis and each claim submitted will be required to have four (4) basic components however additional information may be required based on type of program.

1. Operating Agency Invoice Form must be correctly filled out, and be properly signed and dated;
2. A copy of the monthly monitoring report for the month and/or a project status report, being reimbursed;
3. Copies of cleared checks (front & back) or a copy of the bank statement(s) verifying checks have cleared the account;
4. Supporting documentation with items for reimbursement highlighted.

If any one of the above items is missing or are incomplete, the agency will be contacted to correct the claim and repayment for reimbursement, whether correct the Operating Agency Invoice Form or to add requested back-up are to have a new signature and date. If figures being the updated material and the Operating Agency Invoice Form does not change, that person can re-date the originally submitted form.

Claim Order
There is a definite order for submitting claims to speed processing as follows:

1. The Operating Agency Invoice Form is properly completed. Properly completed means:
   a. The expenses are properly broken down by line item
   b. The invoice is to be signed and dated by a representative of the agency (if the claim is reimbursed, by the person who originally signed the claim, the original date may be crossed out and the new date written in);
   c. Each invoice must have a unique invoice number YY-ACCOUNT#. XX. The “ACCOUNT#” will be provided to you by your Community Development Specialist. “XX” is the sequential number of the invoice.
   d. For the first invoice submitted, 01 for first invoice submitted, 02 for 2nd invoice submitted, etc.
2. A summary sheet with a breakdown of all expenses to be reimbursed. This summary sheet must be organized in the same order as the line items on the invoice form. It should list the amounts to be reimbursed and be subtotaled by line item.
3. Copy of the monthly monitoring report (where applicable).
4. Copies of cleared checks (front & back), copies of checks from bank statement, or a copy of the bank statement with check numbers and amounts highlighted to verify the checks have cleared your account.
5. Backup documentation in the following order for each amount to be paid. Again, these should be organized in the same order as they are listed on the summary sheet.
   a. Salaries:
      1. Payroll costs can be submitted either for the gross or net amounts. The net amount should go on the Salaries – Full & Part Time line; the remainder will go on the FICA/Insurance/Benefit (Employee) line
   b. Backup documentation

Things to remember:
1. The Grant Year starts on 7/1 and no matter when Federal Funds are received. Invoices for services that are reimbursed should be submitted immediately after you receive the notice to proceed.
2. Double check your work. Make errors are the number one cause of your invoice not being paid. For corrections:
   a. All corrections must go on the original invoice.
   b. If the invoice is for services that were not performed, notify your supervisor or appropriate department.
   c. If the invoice is for services that were not performed, notify your supervisor or appropriate department.
   d. Copies must be complete and legible. Make sure documentation is not cut off or changed when making copies.
3. Copy of all bills showing that they have been paid, i.e., Utilities, Vendor bill, water bill, and any and all should be attached with a copy of the check as noted above.
4. If cost is for travel, you should also include a copy of verification of training (agenda or complete set of sessions) and copies of all receipts to be reimbursed. Please note: Travel expenses will be reimbursed without receipts and an approved Travel Request Form from DMD.

When in doubt, contact your community development specialist.

Name (Financial Contact) Title Date
Agency

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HUD Allocations
CDBG and ESG

Timeline (ONGOING)

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CDBG Overview

ESG Overview
CDBG MONTHLY MONITORING REPORTS

There are (2) versions of the CDBG Monthly Monitoring Report which will be provided once each project has been funded.

Limited clientele – Presumed Category Data

Limited clientele – Client Income Data
The Monthly Monitoring Report for Presumed Category Programs contains tracking information as defined by HUD.

<table>
<thead>
<tr>
<th>HUD Defined Presumed Category</th>
<th>Monthly</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abused Children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Battered Spouses</td>
<td></td>
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<tr>
<td>Disabled Adults</td>
<td></td>
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<tr>
<td>Homeless Persons</td>
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<tr>
<td>Illiterate Adults</td>
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<td>Persons with AIDS</td>
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<tr>
<td>Migrant Farm Workers</td>
<td></td>
<td></td>
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<tr>
<td>Elderly Centers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Elderly Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total*</td>
<td></td>
<td>49</td>
</tr>
</tbody>
</table>
The Monthly Monitoring Report for Client Income defined Programs contains tracking information as defined by HUD.

<table>
<thead>
<tr>
<th>Income level based on Area Median Income for new/unduplicated served</th>
<th>Monthly</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30%</td>
<td></td>
<td></td>
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<tr>
<td>31-50%</td>
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</tr>
<tr>
<td>51-80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>81% +</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total* new/unduplicated served*</td>
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</tbody>
</table>
The Monthly Monitoring Report for Client Income and Presumed Category programs contains (2) additional data collections items.

1.) Does your agency keep a waiting list for this program? Yes, No or Not Applicable

   If a waiting list is kept, how many individuals are listed?

2.) Does your agency deny service for any reason? Yes, No or Not Applicable

   If denial has been issued, has formal notice been provided? Yes or No
(3) Potential Monitoring Steps

1. Risk Analysis
2. Remote Monitoring
3. On-Site Monitoring
RISK ANALYSIS

- A Risk Analysis is conducted of all subrecipients prior to the end of each program year.
- This is completed by the assigned CD Specialist and is a rating worksheet to evaluate the subrecipient’s performance over the course of the program to date.
- If the total overall risk score is over the predetermined threshold, then an on-site monitoring is scheduled with the subrecipient.
The CD Specialist is responsible for conducting Remote Monitoring for each program funded with CDBG funds.

Communication will be sent to each agency for each program with instructions to assist with the Remote Monitoring process.

Information is collected regarding the program performance, record keeping and documentation, financial information, program income, compliance, procurement and general organization information.

Based on the information provided by the agency, a determination will be made regarding the need for an On-site Monitoring visit.
ONSITE MONITORING

The basic on-site monitoring includes a tour of the program facilities as appropriate, an explanation of the services provided, discussions with program and administrative staff, and introduction to one or more actual beneficiaries, if possible.

Items covered during on-site monitoring will include:

- Program Review
- Financial Review
- At least (3) Random Client files will be reviewed
- Invoice Review

As a result of this visit, staff may determine whether an in-depth review is needed for further clarification of one or more issues that arose during the on-site visit.
ADDITIONAL INFORMATION: AUDITS

Federal programs are subject to review or audit!!

When spending $750,000 or more in “Federal Awards” per year, specific rules apply.

Grantees & Sub-recipients must adhere to Omni Circular Part 200 Subpart F – Audit Requirements.

If your organization expends more than $750,000 in federal funds, you are required to transmit your audit to CD staff as requested.

PLEASE ADVISE YOUR AUDITOR OF THESE REQUIREMENTS
Questions?