

CDBG-DR Financial Management and Grant Compliance Certification Requirements for All Grantees Subject to the Universal Notice

HUD's Office of Disaster Recovery Review Checklist

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Disaster Recovery

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ii. Instructions

a. Purpose

HUD reviewers should use this form to review certification checklists and supporting documentation that grantees submit for Financial Management and Grant Compliance Certification. This review checklist includes all required elements for HUD reviewers to review grantee submissions for *certification* and for grantees *relying on prior certification submissions* (see Section ii.d. below (*How to Use This Checklist*)).

b. Overview of Requirements for Certification

The Universal Notice describes the grant award process for CDBG-DR grantees, including certification of financial controls and procurement processes and adequate procedures for proper grant management (see Section II.A and II.B of the Universal Notice). All CDBG-DR grantees must complete the Financial Management and Grant Compliance Certification Requirements and submit the certification checklist to enable certification by the Secretary.

Section II.A.1 of the Universal Notice describes the documentation requirements for certification, including Parts a-g below.

Parts a-g (Section I.D.a-g of this checklist)

If required by an appropriations act, grant agreements will not be executed until the Secretary has issued a certification for the grantee to certify that the grantee has:

- a) Proficient financial management controls in place;
- b) Proficient procurement processes in place;
- c) Adequate procedures to maintain comprehensive websites regarding all disaster recovery activities assisted with the CDBG-DR funds;
- d) Adequate procedures to detect and prevent fraud, waste, and abuse of funds;
- e) Adequate procedures to prevent any duplication of benefits as defined by section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) (Stafford Act); and
- f) Adequate procedures to ensure timely expenditure of funds.
- g) Capacity to carry out the recovery and address any capacity gaps

c. How to Use This Checklist

Refer to the table below for detailed instructions on how to use this checklist:

Certification Process per Universal Notice requirements	Grantee Eligibility	HUD Review: How to Use this Checklist
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<p>Certification</p>	<ul style="list-style-type: none"> • Grantee has received a CDBG-DR allocation subject to the requirements the Universal Notice 	<p>Complete the following sections of this checklist:</p> <ul style="list-style-type: none"> • I • II.A-D • IV
<p>Relying on Prior Submissions of Financial Certifications</p>	<p>Grantee must meet the following criteria to rely on prior certifications:</p> <p style="padding-left: 40px;">1) Grantee previously received an allocation subject to the requirements of the Consolidated Notice (Public Laws 117-43, 117-180, and 117-328) or the Universal Notice; <i>and</i></p> <p style="padding-left: 40px;">2) Grantee was previously certified by HUD after submitting financial certifications subject to the requirements of the Consolidated Notice or the Universal Notice; <i>and</i></p> <p style="padding-left: 40px;">3) It has not been more than five (5) years since the date that HUD executed (i.e., signed) the initial grant agreement for the allocation for which the grantee submitted the financial certifications to HUD for review</p>	<p>Complete the following sections of this checklist:</p> <ul style="list-style-type: none"> • I • III • IV <p>Note: If the grantee submits revised policies and procedures for HUD review, including documentation to fulfill capacity assessment requirements for Consolidated Notice grantees relying on prior certifications, the reviewer should use Sections II.D.a.-g. (as applicable) to document these revisions.</p>

Relying on Prior Certification Checklist Submissions

For five years after the execution of a grant agreement for an initial allocation of funds subject to the Consolidated Notice (Public Laws 117-43, 117-180, and 117-328) or Universal Notice, HUD will rely on the grantee’s prior submissions provided in response to the Financial Management and Grant Compliance Certification Requirements for any subsequent allocation of funds that is subject to the Universal Notice. HUD will continue to monitor the grantee’s submissions and updates made to policies and procedures during the normal course of business (i.e., CPD’s Monitoring Handbook and applicable CPD Notice Implementing Risk Analyses for CPD programs). The grantee must notify HUD of any substantial changes made to these submissions.

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If it has been more than five years since the executed grant agreement for the original CDBG-DR grant, grantees must update and resubmit the documentation required by section II.A.1. of the Universal Notice (Documentation requirements) with the completed Certification Checklist to enable the Secretary to certify that the grantee has in place proficient financial controls and procurement processes, and adequate procedures for proper grant management. However, the Secretary may require any CDBG-DR grantee to update and resubmit the documentation required by section II.A.1. (Documentation requirements), if there is good cause to require it.

Additionally, to rely on prior submissions for Consolidated Notice grants, grantees must have submitted their Capacity Assessment with their Implementation Plan, as required in section III.A.2. of the Consolidated Notice. If the grantee did not submit that documentation, they should include it now. If grantees already submitted their Capacity Assessment with their Implementation Plan, they must document any substantial changes in the box provided on the relying on prior certification submission checklist and submit the revised documentation.

HUD Review of Grantee’s Submission of Certifications and Required Documentation

The questions in this review form are designed to assess and document that the grantee has proficient financial controls, procurement processes, capacity, and other procedures that are the subject of the certification by the Secretary. All applicable questions (see table above) must be clearly answered by the HUD reviewer. This means that all tables containing “Yes”, “No”, or “N/A” responses; the “Describe Basis for Conclusion” text boxes; and all documentation tables must be answered for all applicable questions. The documentation tables are included in each section to identify the grantee’s supporting documentation, including the applicable cross-references to answer the question.

- For Section II.D.a.-f., a negative response (“No”) to the last question in each section indicates that the grantee does not have proficient controls. The HUD reviewer may select “No” if the grantee’s policies and procedures do not fully answer the question or if the grantee is missing documentation. For example, in Section II.D.a. (*Financial Management Controls*), if the HUD Reviewer selects “No” to Question A.7, the reviewer is indicating that the grantee does not have proficient controls in place.
- An affirmative response (“Yes”) by the HUD reviewer to any question indicates that the grantee has met the requirements provided in the question and has provided documentation to support the claim.
- A “N/A” response to any question indicates that the requirement does not apply. The “N/A” option should only be used when the question is not applicable to the grantee.

Some questions and prompts include citations in brackets, which have been provided for convenience to identify sources that serve as the basis to determine proficiency.

The designated CPD representative will review the grantee’s submission and complete this checklist to determine whether the grantee’s Financial Management and Grant Compliance Certification Requirements (“Certification Checklist”) was satisfactorily completed by the grantee. Due to the time sensitive nature of the grants, if the assigned CPD representative is unavailable (extended leave, workload), the HUD management official may need to designate an alternate HUD representative to assist in the reviews

I. GENERAL INFORMATION

HUD Review Form for Universal Notice Grants	
Name of Grantee:	
Disaster Year:	
Type of Review* (select one):	Certification (Section II.D.a.-g. of this checklist) <input type="checkbox"/>
	Relying on Prior Submissions (Section III of this checklist) <input type="checkbox"/>
Name of HUD Reviewer:	
Date:	
Name of HUD Reviewer:	
Date:	
Name of Assistant Director/CPD Director (or Designee):	
Final Recommendation Date (i.e., recommendation to certify or withhold certification [see “Final Reviewer Comments” section on page 25]):	

*See Section IV *How to Use this Checklist* below to determine which type of review.

II. CERTIFICATION

Instructions:

- **Certification:** Complete **Sections II.A.-D.** below (*Section II.D. below includes additional instructions*). Then move to **Section IV.**
- **Relying on Prior Submissions:** Unless the grantee has submitted revised policies and procedures for HUD review, skip to **Section III** (*Relying on Prior Submissions*). If the grantee *has* submitted revised policies and procedures for HUD review, reviewers should *skip* **Sections II.A.-C.** below and document revisions in **Section II.D.** below.

A. Required Submission Period for Certifications and Supporting Documentation

Required Submission Period	
Instructions: Answer the question below.	
For Certification:	<input type="checkbox"/> <input type="checkbox"/> Yes No

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<p>If the grantee is submitting the Certification Checklist for certification (i.e., Sections II.D.a.-g. of this checklist), did the grantee submit the checklist within 135 days of the applicability date of the Allocation Announcement Notice?</p> <p>HUD Reviewer Tip: Check the applicability date on the on the applicable Allocation Announcement Notice in the Federal Register. You can view all published Federal Register notices for CDBG-DR grantees at CDBG-DR Laws, Regulations, and Federal Register Notices HUD.gov / U.S. Department of Housing and Urban Development (HUD)</p>	<p>Date of submission:</p>
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B. Required Documentation

Grantees must submit (via attachment or provided link) the required documentation and provide appropriate cross-references as indicated throughout this review checklist.

Note, if the grantee provides a hyperlink to a document, the grant manager and the financial analyst should save a copy of the document to the grantee’s SharePoint file to ensure continuous access to the information.

Section II.D. of this checklist*	Required Documentation	Attached
II.D.a. (II.A.1.a)	The most recent single audit.	<input type="checkbox"/>
	The most recent annual comprehensive financial report (ACFR).	<input type="checkbox"/>
II.D.b. (II.A.1.b)	Procurement policies and procedures relevant to the CDBG-DR grant.	<input type="checkbox"/>
II.D.c. (II.A.1.c)	Policies and procedures to maintain a comprehensive website.	<input type="checkbox"/>
II.D.d. (II.A.1.d)	Policies and procedures to detect and prevent fraud, waste, and abuse.	<input type="checkbox"/>
II.D.e. (II.A.1.e)	Policies and procedures that prevent duplication of benefits.	<input type="checkbox"/>
II.D.f. (II.A.1.f)	Policies and procedures to ensure timely expenditures.	<input type="checkbox"/>
	Policies and procedures governing the use of program income.	<input type="checkbox"/>
II.D.g. (II.A.1.g)	Initial Capacity Assessment	<input type="checkbox"/>

*Citations referenced in parenthesis are from the Universal Notice.

C. Optional Documentation

Grantees can choose to provide additional documentation to support their certification. HUD reviewers should document supplemental documentation here.

<p>(Optional) Has the grantee submitted supplementary documentation to support its Certification?</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
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a. Financial Management Controls

Each grantee must have financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the CDBG-DR award. The financial management system must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the grant requirements in 2 CFR 200.302(a). The financial management system of each grantee must provide the information required by 2 CFR 200.302(b).

A CDBG-DR grantee has proficient financial management controls if each of the following criteria is satisfied:

The grantee submits its most recent single audit and annual comprehensive financial report (ACFR), which in HUD’s determination indicates that the grantee has no material weaknesses, deficiencies, or concerns that HUD considers to be relevant to the financial management of CDBG, CDBG-DR, or CDBG-MIT funds. If the single audit or ACFR identified weaknesses or deficiencies, the grantee must provide documentation satisfactory to HUD showing how those weaknesses have been removed or are being addressed. [Section II.A.1.a.(i) of the Universal Notice]

The grantee has assessed its financial standards and has completed and submitted the certification documentation in the applicable Certification Checklist. The grantee’s documentation must demonstrate that the standards meet the requirements in the Universal Notice and the Certification Checklist. [Section II.A.1 of the Universal Notice]

<p>a.1. Please select all that apply if the grantee received CDBG, CDBG-DR, CDBG-NDR, or CDBG-MIT funds in the past:</p> <p><input type="checkbox"/> CDBG <input type="checkbox"/> CDBG-DR <input type="checkbox"/> CDBG-NDR <input type="checkbox"/> CDBG-MIT <input type="checkbox"/> N/A</p>	
<p>a.2. Which of the following program, if any, are covered in the grantee’s most recent single audit:</p> <p><input type="checkbox"/> CDBG <input type="checkbox"/> CDBG-DR <input type="checkbox"/> CDBG-NDR <input type="checkbox"/> CDBG-MIT <input type="checkbox"/> N/A</p>	
<p>a.3. If the grantee has stated that the single audit and ACFR reported any material weaknesses, deficiencies, or concerns related to CPD programs, did the grantee provide satisfactory documentation showing how those weaknesses have been removed or are being addressed? [Section II.A.1.a.(i) of the Universal Notice]</p> <p>Examples of material weaknesses, deficiencies, or concerns might include payments for ineligible costs; insufficient internal controls, separation of duties, or capacity; and inadequate management and/or monitoring of subrecipients.</p> <p>If the grantee states weaknesses, deficiencies, or concerns exist, the grantee should document the weaknesses have either been removed or are being addressed. In this case, the grantee could submit a corrective action plan describing the following information:</p> <ul style="list-style-type: none"> • a brief description of the issue, • the status (not corrected, partially corrected, or corrected), • the resolution (or potential resolution), and • any additional steps the grantee will take to correct the weakness, deficiency, or concern. 	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>

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<p>If the grantee reported no material weaknesses, deficiencies, or concerns the HUD reviewer should select N/A.</p>	
<p>Describe Basis for Conclusion:</p>	
<p>a.4. If the HUD Reviewer found that the grantee’s single audit and ACFR reported any material weaknesses, deficiencies, or concerns, did the grantee provided satisfactory documentation showing how those weaknesses have been removed or are being addressed? [Section II.A.1.a.(i) of the Universal Notice]</p> <p>Examples of material weaknesses, deficiencies, or concerns might include payments for ineligible costs; insufficient internal controls, separation of duties, or capacity; and inadequate management and/or monitoring of subrecipients.</p> <p>If the HUD Review finds weaknesses, deficiencies, or concerns, the grantee should document the weaknesses have either been removed or are being addressed. In this case, the grantee could submit a corrective action plan describing the following information:</p> <ul style="list-style-type: none"> • a brief description of the issue, • the status (not corrected, partially corrected, or corrected), • the resolution (or potential resolution), and • any additional steps the grantee will take to correct the weakness, deficiency, or concern. 	<p style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A </p>
<p>a.4.a. If the most recent Federal Single Audit or ACFR identifies use of CPD funds used for general expenses and the documents indicate that there is either untimely use of program income or untimely (slow) disbursement of CPD funds, did the grantee provide satisfactory documentation showing how the untimely issues have been removed or are being addressed?</p> <p>For example, if there is a timeliness issue, the grantee could submit a corrective action plan identifying the steps that have occurred (or will occur) to correct the timeliness issues identified.</p>	<p style="text-align: center;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A </p>
<p>Describe Basis for Conclusion:</p>	

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<p>a.5. Do the materials submitted by the grantee demonstrate the grantee has fiscal and administrative systems for expending and accounting for federal funds received?</p> <p>To answer “Yes” to this question, the Federal Single Audit should indicate the grantee’s use of funds are compliant with all applicable statutory and regulatory provisions, the terms and conditions of the award, and the intended purpose.</p> <p>Note: The auditor’s opinion in the Single Audit should be unqualified, meaning the auditor found the financial statements to be presented fairly without material issues. A qualified opinion indicates exceptions or concerns with specific areas that may reflect weaknesses in fiscal systems.</p> <p>For example, the most recent single audit does not have findings related to CPD funding of noncompliant disbursements, or CPD funding of costs that are not necessary and reasonable.</p>	<p><input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No</p>
<p>Describe Basis for Conclusion:</p>	
<p>a.6. Did the grantee complete and submit the certification documentation required in the applicable Certification Checklist? [Section II.A.1.a.(i) of the Universal Notice]</p>	<p><input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No</p>
<p>a.7. Based on your review of the submitted materials and responses above, does the grantee have in place proficient financial controls?</p>	<p><input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No</p>
<p>Describe Basis for Conclusion:</p>	

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Question:	Document Title:	Page number(s) referenced:
a.1		
a.2		
a.3		
a.4		
a.5		
a.6		

b. Procurement Processes

The grantee must provide to HUD its procurement process/standards for review, so HUD may evaluate the overall effect of the grantee’s standards to determine that they uphold the principles of full and open competition.

A CDBG-DR grantee has proficient procurement policies and processes if:

- a) HUD determines that its processes uphold the principles of full and open competition and include an evaluation of the cost or price of the product or service, and
- b) The grantee’s procurement policies and procedures comply with the procurement requirements at Sections II.A.1.b and III.B.7. of the Universal Notice.

For **Local Government Grantees** this means the grantee’s procurement policies and procedures:

- 1. are consistent with the applicable procurement standards identified in 2 CFR 200.318 through 200.327, and 2 CFR 200.214;
- 2. describe how the grantee will comply with applicable alternative procurement requirements described in Section III.B.7.a.; *and*
- 3. as applicable, describe how the grantee will comply with procurement requirements for projects using CDBG-DR funds as non-Federal match, as described in Section III.B.7.

For **State Grantees** this means that its procurement processes reflect that it:

- 1. The grantee has adopted the specific procurement standards at 2 CFR 200.318 through 2 CFR 200.327 for both its own procurement processes and for its subrecipients [Section II.A.1.b.(i)(1)]; *or*
- 2. The grantee will follow its own state procurement polices and procedures based on full and open competition and establish requirements for procurement processes for local governments and subrecipients based on full and open competition pursuant to 24 CFR 570.489(g), and the requirements for the state, its local governments, and subrecipients to evaluate the cost or price of the product or service comply with 2 CFR 570.489(l) [Section II.A.1.b.(i)(2)]; *or*
- 3. The grantee has adopted 2 CFR 200.317, meaning it will follow its own state procurement processes based on full and open competition, evaluate the cost or price of the product or service, and comply with 2 CFR 570.489(l), but impose 2 CFR 200.318 through 200.327 on its subrecipients [Section II.A.1.b.(i)(3)].

Note: State grantees must select one (1) of the three procurement options above and attach the corresponding documents as directed in the Required Documentation section.

A State grantee’s policies and procedures must also:

- 1. describe how the grantee will comply with applicable alternative procurement requirements described in Section III.B.7.a.; *and*
- 2. as applicable, describe how the grantee will comply with procurement requirements for projects using CDBG-DR funds as non-Federal match, as described in Section III.B.7.

b.1 Do the grantee’s processes uphold the principles of full and open competition? [Section II.A.1.b]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

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<p>b.2 Do the grantee’s procurement processes include an evaluation of the cost or price of the product or service prior to contract execution? [Section II.A.1.b]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>b.3 The HUD Reviewer should respond to the applicable question based on the grantee’s status as a Local Government or a State Government.</p>	
<ul style="list-style-type: none"> • B.3.a. If the grantee is a Local Government, do the grantee’s processes reflect 2 CFR 200.318 through 2 CFR 200.327, and 2 CFR 200.214? [Section II.A.1.b.(ii)] 	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	
<ul style="list-style-type: none"> • B.3.b. If the grantee is a State or treated as a State, do the grantee’s processes reflect one of the three procurement choices below? [Section II.A.1.b.(i)] <ul style="list-style-type: none"> ○ <input type="checkbox"/> The grantee has adopted the specific procurement standards at 2 CFR 200.318 through 2 CFR 200.327 for both its own procurement processes and for its subrecipients [Section II.A.1.b.(i)(1)] ○ <input type="checkbox"/> The grantee will follow its own state procurement polices and procedures based on full and open competition and establish requirements for procurement processes for local governments and subrecipients based on full and open competition pursuant to 24 CFR 570.489(g), and the requirements for the state, its local governments, and subrecipients to evaluate the cost or price of the product or service comply with 2 CFR 570.489(l) [Section II.A.1.b.(i)(2)] a. <input type="checkbox"/> The grantee has adopted 2 CFR 200.317, meaning it will follow its own state procurement processes based on full and open competition, evaluate the cost or price of the product or service, and comply with 2 CFR 570.489(l), but impose 2 CFR 200.318 through 200.327 on its subrecipients [Section II.A.1.b.(i)(3)]. 	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>

Describe Basis for Conclusion:	
<p>b.4. If the grantee is a State or treated as a State, do the grantee’s policies and procedures specify whether other state agencies to whom the administering agency chooses to provide funding must follow either: i) the procurement processes that the administering agency is subject to; or ii) the same processes to which other local governments and subrecipients are subject; or iii) the procurement processes that the agency carrying out the activities follows [Section II.A.1.b.(i)(3)].</p> <p>Note: Reviewers should select N/A for Local Government grantees or for State grantees for whom this does not apply (i.e., they will not provide funding for other state agencies).</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
Describe Basis for Conclusion:	
<p>b.5. The grantee’s policies and procedures describe how the grantee will comply with applicable alternative procurement requirements for all procurement actions, as described in the Universal Notice. [Section III.B.7.a.]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
Describe Basis for Conclusion:	
<p>b.6. If applicable, the grantee’s policies and procedures describe how the grantee will comply with procurement requirements for projects using CDBG-DR funds as non-Federal match [Section III.B.7.b]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Yes No N/A</p>
Describe Basis for Conclusion:	

b.7. Based on your review of the submitted materials and responses above, does the grantee have proficient procurement processes?	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: 	

Question:	Document Title:	Page number(s) referenced:
b.1		
b.2		
b.3		
b.4.		
b.5.		
b.6.		

c. Procedures to Maintain a Comprehensive Website

A grantee has adequate policies and procedures to maintain a comprehensive accessible website if it submits procedures indicating to HUD that the grantee will have a separate webpage dedicated to its disaster recovery activities assisted with CDBG-DR funds that includes the information described at Section III.B.8. of the Universal Notice. The procedures must also indicate the frequency of website updates. At minimum, grantees must update their website quarterly.

c.1. Has the grantee indicated that it will have a separate webpage dedicated to its disaster recovery activities assisted with CDBG-DR funds that includes the information described at Section III.D.6 of the Universal Notice? [Section II.A.1.c.; Section III.B.8.]	<input type="checkbox"/> <input type="checkbox"/> Yes No
Note: The grantee’s policies and procedures must indicate that the required items will be on its website. The required items in Section III.B.8. of the Universal Notice are: <ul style="list-style-type: none"> • Admin Action Plan (if applicable) • Action Plan (including all amendments); • Each performance report (as created using the DRGR system); • Citizen participation plan; • Projection of expenditures and outcomes; • Procurement policies and procedures; • Program-specific policies and procedures; 	

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<ul style="list-style-type: none"> • All contracts that will be paid with CDBG-DR funds as defined in 2 CFR 200.22 (including subrecipients’ contracts); and • A summary including the description and status of services or goods currently being procured by the grantee or the subrecipient (e.g., phase of the procurement, requirements for proposals, etc.). <p>Note: Contracts and procurement actions that do not exceed the micro-purchase threshold, as defined in 2 CFR 200.67, are not required to be posted to a grantee’s website. [Section III.B.8.]</p>		
<p>c.2. Has grantee indicated to HUD that the grantee will make the documents required to be available on the public website (as described in III.D.1.d of the Universal Notice) available in a form accessible to persons with disabilities? [Section III.B.8.a.]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No	
<p>c.3. Do the grantee’s website policies and procedures indicate to HUD the frequency of website updates? At a minimum, the grantee must update their website quarterly. [Section II.A.1.c]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No	
<p>c.4. Did the grantee provide a link to the website?</p> <p>The HUD reviewer would select N/A if the grantee’s website is not available at the time the checklist is submitted.</p>	<input type="checkbox"/> <input type="checkbox"/> Yes N/A	
<p>c.5. Based on your review of the submitted materials and responses above, has the grantee established adequate procedures to maintain comprehensive websites regarding all activities assisted with the CDBG-DR funds?</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No	
<p>Describe Basis for Conclusion:</p>		
<p>Question:</p>	<p>Document Title:</p>	<p>Page number(s) referenced:</p>
<p>c.1</p>		
<p>c.2</p>		
<p>c.3</p>		
<p>c.4</p>		

d. Procedures to Detect Fraud, Waste, and Abuse of Funds

A grantee has adequate procedures to detect and prevent fraud, waste, and abuse if it submits procedures that indicate:

- a) how the grantee will verify the accuracy of information provided by applicants;
- b) the criteria to be used to evaluate the capacity of potential subrecipients;
- c) the frequency with which the grantee will monitor other agencies of the grantee that will administer CDBG-DR funds, including how it will monitor subrecipients, contractors and other program participants, and why monitoring is to be conducted and which items are to be monitored;
- d) if the grant size is \$100 million or more, the grantee has or will employ an internal auditor that provides both programmatic and financial oversight of grantee activities and has adopted policies that describes the auditor’s role in detecting and preventing fraud, waste, and abuse;
- e) for states or grantees subject to the same requirements as states, a written standard of conduct and conflicts of interest policy that complies with the requirements of 24 CFR 570.489(g),(h), and (l) and subparagraph II.A.1.b.(i) Procedures for procurement of the Universal Notice, which policy includes the process for promptly identifying and addressing such conflicts;
- f) for local government grantees, a written standard of conduct and conflicts of interest policy that complies with 24 CFR 570.611 and 2 CFR 200.318, as applicable, which policy includes the process for promptly identifying and addressing such conflicts; and
- g) how it will assist in investigating and taking action when fraud occurs within the grantee’s CDBG-DR activities and/or programs. Following a disaster, property owners and renters are frequently the targets of people fraudulently posing as government employees, creditors, mortgage servicers, insurance adjusters, and contractors. All grantees receiving CDBG-DR funds for the first time shall attend and require subrecipients to attend fraud related training provided by HUD OIG, when offered, to assist in the proper management of CDBG-DR grant funds. Grantees must report to the appropriate HUD CPD staff member that it met this requirement and who attended the training. Instances of fraud, waste, and abuse should be referred to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov). Grantee must address in its policies and procedures:
 - a. how it will provide CDBG-DR beneficiaries with information that raises awareness of possible fraudulent activity, how the fraud can be avoided, and what local or state agencies to contact to take action and protect the grantee and beneficiary investment;
 - b. how the grantee will make CDBG-DR beneficiaries aware of the risks of contractor fraud and other potentially fraudulent activity that can occur in communities recovering from a disaster; and
 - c. the steps it will take to assist a CDBG-DR beneficiary if the beneficiary experiences contractor or other fraud. If the beneficiary is eligible for additional CDBG-DR assistance because the fraudulent activity results in the creation of additional unmet need, the procedures must also address what steps the grantee will follow to provide the additional assistance.

d.1 Has the grantee provided procedures that indicate how the grantee will verify the accuracy of information provided by applicants? [Section II.A.1.d.(i)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
d.2 Has the grantee provided procedures that indicate the criteria to be used to evaluate the capacity of potential subrecipients? [Section II.A.1.d.(ii)]	<input type="checkbox"/> <input type="checkbox"/> Yes No

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<p>d.3 Has the grantee provided procedures that indicate the frequency with which the grantee will monitor other agencies of the grantee that will administer CDBG-DR funds, how it will monitor subrecipients, contractors and other program participants, how and why monitoring is to be conducted, and which items are to be monitored? [Section II.A.1.d.(iii)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>d.4 If the grantee has a grant of \$100 million or more subject to the Universal Notice, has the grantee provided procedures that indicate that the grantee has or will hire an internal auditor that provides both programmatic and financial oversight of grantee activities? [Section II.A.1.d.(iv)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>d.5 Has the grantee adopted policies that describes the auditor’s role in detecting fraud, waste, and abuse? [Section II.A.1.d.(iv)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>d.6 Does the grantee have a written standard of conduct and conflicts of interest policy and the process for promptly identifying and addressing such conflicts? [Section II.A.1.d.(v)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<ul style="list-style-type: none"> Note: For states or grantees subject to the same requirements as states, a written standard of conduct and conflicts of interest policy must comply with the requirements of 24 CFR 570.489(g), (h), and (l) and subparagraph II.A.1.b.(i) <i>Procedures for procurement</i> of the Universal Notice, and which policy includes the process for promptly identifying and addressing such conflicts. [Section II.A.1.d.(v)(1)] 	
<ul style="list-style-type: none"> Note: For units of general local government or grantees subject to the same requirements as units of general local government, a written standard of conduct and conflicts of interest policy must comply with 24 CFR 570.611 and 2 CFR 200.318, as applicable, and which policy includes the process for promptly identifying and addressing such conflicts. [Section II.A.1.d.(v)(2)] 	
<p>d.7 Has the grantee provided procedures that indicate how the grantee will assist in investigating and taking action when fraud occurs within the grantee’s CDBG-DR activities and/or programs? [Section II.A.1.d.(vi)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>d.8 If the grantee is receiving CDBG-DR funds for the first time, has the grantee indicated that grantee-staff and subrecipients will attend fraud related training provided by HUD OIG, when offered, to assist in the proper management of CDBG-DR grant funds? [Section II.A.1.d.(vi)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>d.9 Has the grantee provided procedures that indicate that instances of fraud, waste, and abuse should be referred to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov)? [Section II.A.1.d.(vi)]</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>d.10 Has the grantee provided procedures that indicate how the grantee will make CDBG-DR beneficiaries aware of the risks of contractor fraud and other potentially fraudulent activity that can occur in communities recovering from a disaster? [Section II.A.1.d.(vi)]</p> <p>Note: Grantees must provide CDBG-DR beneficiaries with information that raises awareness of possible fraudulent activity, how the fraud can be avoided, and what local or state agencies to contact to take action and protect the grantee and beneficiary investment.</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>d.11 Has the grantee provided procedures that address the steps it will take to assist a CDBG-DR beneficiary if the beneficiary experiences contractor or other fraud?</p>	<p><input type="checkbox"/> <input type="checkbox"/></p>

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<p>If the beneficiary is eligible for additional assistance as a result of the fraudulent activity and the creation of remaining unmet need, the procedures also address what steps the grantee will follow to provide the additional assistance. [Section II.A.1.d.(vi)]</p>	<p>Yes No</p>
<p>d.12 Based on your review of the submitted materials and responses above, has the grantee established adequate procedures to detect and prevent fraud, waste, and abuse of funds?</p>	<p><input type="checkbox"/> <input type="checkbox"/> Yes No</p>
<p>Describe Basis for Conclusion:</p>	

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e. Procedures for Prevention of Duplication of Benefits

A grantee has adequate procedures to prevent the duplication of benefits if the grantee submits and identifies a uniform process that reflects the requirements Section II.A.1.e and Appendix C of the Universal Notice, including:

- a) Determining all disaster assistance received by the grantee or applicant and all reasonably identifiable financial assistance available to the grantee or applicant, as applicable, before committing funds or awarding assistance;
- b) Determining a grantee’s or an applicant’s unmet need(s) for CDBG-DR assistance before committing funds or awarding assistance;

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- c) Requiring beneficiaries to enter into a signed agreement to repay any duplicative assistance if they later receive additional assistance for the same purpose for which the CDBG-DR award was provided. The grantee must identify a method to monitor compliance with the agreement for a reasonable period (i.e., a time period commensurate with risk) and must articulate this method in its written administrative procedures, including the basis for the period in which the grantee will monitor compliance. This agreement must also include the following language: “Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.”; and
- d) Verifying that CDBG-DR funds will not be used for activities reimbursable by, or for which funds are made available by, FEMA or the U.S. Army Corps of Engineers (USACE). Although the language may vary among appropriations acts, CDBG-DR funds may not be used for activities reimbursable by, or for which funds are made available by FEMA or the USACE.

Policies and procedures of the grantee submitted to support the certification must provide that, prior to the award of assistance, the grantee will use the best, most recent available data from FEMA, the Small Business Administration (SBA), insurers, and any other sources of local, state, and Federal sources of funding to prevent the duplication of benefits.

<p>e.1 Has the grantee submitted adequate procedures to prevent the duplication of benefits and has identified a uniform process that reflects:</p>	
<ul style="list-style-type: none"> • e.1.a. Determining all disaster assistance received by the grantee or applicant and all reasonably identifiable financial assistance available to the grantee or applicant, as applicable, before committing funds or awarding assistance? For example, to meet the requirements above the grantee may describe its use of a data feed received from FEMA or SBA, and/or describe its data sharing agreement with other Federal agencies to ensure the best available data. [Section II.A.1.e.(i); Appendix C] 	<p style="text-align: right;"> <input type="checkbox"/> <input type="checkbox"/> Yes No </p>
<ul style="list-style-type: none"> • e.1.b. Determining a grantee or an applicant’s unmet need(s) for CDBG-DR assistance before committing funds or awarding assistance? [Section II.A.1.e.(ii); Appendix C] 	<p style="text-align: right;"> <input type="checkbox"/> <input type="checkbox"/> Yes No </p>
<ul style="list-style-type: none"> • e.1.c. Requiring beneficiaries to enter into a signed agreement to repay any duplicative assistance if they later receive additional assistance for the same purpose for which the CDBG-DR award was provided? [Section II.A.1.e.(iii); Appendix C] 	<p style="text-align: right;"> <input type="checkbox"/> <input type="checkbox"/> Yes No </p>
<ul style="list-style-type: none"> • e.1.d. Verifying that CDBG-DR funds will not be used for activities reimbursable by, or for which funds are made available by, FEMA or the U.S. Army Corps of Engineers (USACE). Although the language may vary among appropriations acts, CDBG-DR funds may not be used for activities reimbursable by, or for which funds are made available by FEMA or the USACE [Section II.A.1.e.(iv); Appendix C]. 	<p style="text-align: right;"> <input type="checkbox"/> <input type="checkbox"/> Yes No </p>
<p>Describe Basis for Conclusion:</p>	

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<p>e.2. Does the grantee identify a method to monitor for compliance with agreements for a reasonable period (i.e., a time period commensurate with risk) in its policies and procedures, including the basis for the period in which the grantee will monitor compliance? [Section II.A.1.e.(iii); Appendix C]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>e.3. Does the grantee state that the grantee’s recapture agreements will include the following language: “Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 2, 287, 1001 and 31 U.S.C. 3729.”? [Section II.A.1.e.(iii); Appendix C]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>e.4. Do the grantee’s Duplication of Benefits policies and procedures identify a process for verifying if FEMA or U.S. Army Corps funds are available for an activity (i.e., the application period is open) or the costs are reimbursable by FEMA or Army Corps (i.e., the grantee will receive FEMA or Army Corps assistance to reimburse the costs of the activity) before awarding CDBG-DR assistance for costs of carrying out the same activity. [Section II.A.1.e.(iv); Appendix C]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>e.5. Do the grantee’s policies and procedures indicate that the grantee will, prior to the award of assistance, use the best, most recent available data from FEMA, the Small Business Administration (SBA), insurers, and any other sources of local, state, and Federal sources of funding to prevent the duplication of benefits? [Section II.A.1.e.(iv); Appendix C]</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>e.6. Based on your review of the submitted materials and responses above, has the grantee established adequate procedures to prevent any duplication of benefits as defined by section 312 (42 U.S.C. 5155) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)?</p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>Describe Basis for Conclusion:</p> <div style="height: 150px;"></div>	

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f. Procedures to Determine Timely Expenditures

A grantee has adequate policies and procedures to determine timely expenditures if it submits procedures that indicate the following to HUD:

- a) how it will track expenditures of the grantee and its subrecipients (both actual and projected reported in the performance report);
- b) how it will ensure proper reporting, tracking, and expenditure of program income, including how it will ensure that program income is substantially disbursed before making additional withdrawals from the United States Treasury, except when carrying out the same activities through a revolving fund (see section III.B.12.and section III.B.13. for additional requirements);
- c) how it will reprogram funds in a timely manner for activities that are stalled;
- d) and how it will project expenditures of all CDBG-DR funds within the period provided for in Section III.F.1. of the Universal Notice and applicable Allocation Announcement Notice.

f.1. The grantee submitted policies and procedures that indicates: [Section II.A.1.f]	
<ul style="list-style-type: none"> • f.1.a. How the grantee will track expenditures of the grantee and its subrecipients (both actual and projected reported in the performance reports)? [Section II.A.1.f.(i)] 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • f.1.b. How the grantee will ensure proper reporting, tracking, and expenditure of program income, including how it will ensure that program income is substantially disbursed before making additional withdrawals from the United States Treasury, except when carrying out activities with a revolving fund? [Section II.A.1.f.(ii)] <p>For example, policies should indicate the grantee will use program income before drawing additional grant funds and ensures that program income retained by one organization will not affect grant draw requests for other organizations.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • f.1.c. How the grantee will reprogram funds in a timely manner for activities that are stalled? [Section II.A.1.f.(iii)] 	<input type="checkbox"/> Yes <input type="checkbox"/> No
<ul style="list-style-type: none"> • f.1.d. How the grantee will project expenditures of all CDBG-DR funds within the period provided for in Section III.F.1. of the Universal Notice and applicable Allocation Announcement Notice? [Section II.A.1.f.(iv)] 	<input type="checkbox"/> Yes <input type="checkbox"/> No

Describe Basis for Conclusion:	
f.2 Based on your review of the submitted materials and responses above, has the grantee established adequate procedures to ensure timely expenditure of funds?	<input type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion:	

Question:	Document Title:	Page number(s) referenced:
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g. Capacity Assessment and Staffing Analysis

To enable HUD to assess risk as described in 2 CFR 200.206, the grantee must submit a capacity assessment and staffing analysis to HUD. The capacity assessment and staffing analysis must describe the grantee’s capacity to carry out the recovery and how it will address any capacity gaps.

g.1. Does the grantee’s <i>capacity assessment</i> identify the lead agency responsible for implementation of the CDBG-DR award and indicate that the lead agency will report directly to the chief executive officer of the jurisdiction. [Section II.A.1.g.(i)(1)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
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g.2. Does the grantee’s <i>capacity assessment</i> document that the grantee conducted a preliminary assessment of its capacity to carry out CDBG-DR recovery efforts. [Section II.A.1.g.(i)(2)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
g.3. Does the grantee’s <i>capacity assessment</i> include a timeline with milestones that describe when and how the grantee will address all capacity gaps that are identified. [Section II.A.1.g.(i)(3)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
g.4. Does the grantee’s <i>capacity assessment</i> include a list of any open CDBG-DR monitoring and HUD OIG audit findings and an update on the corrective actions undertaken to address each finding. [Section II.A.1.g.(i)(4)]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
g.5. Does the grantee’s <i>staffing analysis</i> include an organizational chart that indicates which personnel or organizational unit will be responsible for each of the Financial Management and Grant Compliance Certification Requirements? [Section II.A.g.(ii)(1)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
g.6. Does the <i>staffing analysis</i> include documentation demonstrating that it has assessed staff capacity and identified positions for the purpose of: case management, program manager for each recovery area (housing, infrastructure, economic revitalization), and staff responsible for procurement/contract management, Section 3 of the HCDA, URA and Section 104(d) of the HCDA, CDBG acquisition and relocation and fair housing and environmental compliance? [Section II.A.1.g.(ii)(2)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
g.7. Does the staffing analysis include a description of how the grantee will provide training and technical assistance for any personnel not employed by the grantee at the time of Action Plan submission and for any subrecipients, including how the grantee will fill gaps in knowledge or technical expertise required for successful and timely recovery? [Section II.A.1.g.(ii)(3)]	<input type="checkbox"/> <input type="checkbox"/> Yes No
g.8. Based on your review of the submitted materials and responses above, has the grantee met the requirements of the initial capacity assessment?	<input type="checkbox"/> <input type="checkbox"/> Yes No

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III. RELYING ON PRIOR SUBMISSIONS OF FINANCIAL CERTIFICATIONS

For grantees that have previously received an allocation subject to the requirements of the Consolidated Notice or the Universal Notice, HUD will rely on prior submissions of financial certifications for five years after the execution of the initial grant agreement per section II.B of the Universal Notice.

For existing grantees subject to the Universal Notice and choosing to rely on a previous CDBG-DR certification submission:

State or Local Government CDBG-DR Grantees with Prior Certification Checklist Submissions (<i>Universal Notice Grants Only</i>)
Name of Grantee:
Date of Request to Rely on Prior Submissions (i.e., date Section III of this this form is submitted):
Date of <i>Initial</i> Allocation Announcement Notice Allocating Funds Subject to the Consolidated Notice or Universal Notice:
Amount of Initial Allocation of Funds Subject to the Consolidated Notice or Universal Notice:
Date HUD Executed Grant Agreement (following prior submission):
Is the Date HUD Executed the Grant Agreement within 5 years of the date of submission of this checklist?
Describe any updates the grantee made to the documentation included in the <i>Prior</i> submission:

IV. FINAL REVIEWER COMMENTS

Use this space to record comments related to your review of the grantee’s submission. Conclude with a recommendation to provide or withhold certification from the grantee. If making a recommendation to without certification, staff must discuss with their supervisor prior to making a final recommendation.

Reviewer Comments and Recommendations: