

COMMUNITY DEVELOPMENT BLOCK GRANT Public Services Activities



**Richland County
Community Development**
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Guidelines

FY2021-22



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Introduction

These guidelines set forth policies and procedures for the administration of programs funded by the Richland County Community Development Block Grant (CDBG) Public Services program, summarizing the essential elements for proper program operation. No guidelines can address every type of situation that may arise; therefore, Richland County's Community Development staff is available to respond to requests for clarification or additional information. In the event that new procedures or policies are implemented during the contract period, Community Development staff will provide timely notification via email.

The Community Development Block Grant (CDBG) is funded and regulated at the federal level by the U.S. Department of Housing and Urban Development (HUD) and administered locally by Richland County. The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974. The regulations implementing the CDBG Program are located in the 24 CFR, Part 570. Richland County's objectives for this program are in accordance with HUD's National Objectives and principally for the benefit of low-and moderate-income (LMI) persons. Richland County invites applications from qualified entities to apply for funding through a Notice of Funds Available (NOFA) process. The primary objective is to fund projects and activities that are consistent with locally developed CDBG Program Priorities and to address the federal/local Consolidated Plan objectives.

These guidelines are neither intended to be all-inclusive nor so restrictive that they cannot be amended.

CDBG Program mailing address:

Richland County Community Development Department 2020 Hampton Street 3063B
Columbia, South Carolina 29204

Coordinator:

Katie Welborn Hagan

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Phone: (803) 576-2230

Program Year: The program year for FY2021 CDBG Public Services funding is January 1, 2022-December 31, 2022.

Public Services: Information on eligible and ineligible activities for CDBG Public Services reimbursement can be found in Appendix IV.

Subrecipients: Organizations awarded CDBG funds for Public Services through Richland County are considered "Subrecipients".

Orientation: A **mandatory** orientation for Subrecipients will be held on December 15, 2021. At least two representatives from each Subrecipient program must attend (ex: program specialist, chief fiscal officer, a representative of the Board of Directors, etc.) The orientation is to educate Subrecipient organizations about the basic rules under which all CDBG activities must operate and provides an opportunity to establish clear expectations with respect to performance standards, policies, and procedures.

Trainings: Additional mandatory trainings may take place throughout the program year if deemed necessary by the County.

Neighborly: Quarterly Reports, Reimbursement Requests, and other correspondence and documentation will take place over the Neighborly online platform. The Neighborly participant portal for Richland County SC can be found here:

<https://portal.neighborlysoftware.com/RICHLANDCOUNTYSC/Participant>

Social Media: Please be sure to tag Richland County in posts related to your CDBG funded program throughout your program year.

Facebook: [facebook.com/RichlandSC](https://www.facebook.com/RichlandSC)

Twitter: @richlandsc

Instagram: @richlandcountysc

Contract: Prior to the release of CDBG funds from Richland County, a written Contract must be executed between Richland County and the Subrecipient. The Contract is central to Subrecipient compliance with the CDBG program. The Contract may be revised only upon written authorization via email from Richland County. Compliance with the guidelines laid out in this document is a requirement of the Contract. The Contract remains in effect during any period that the Subrecipient is operating a program or implementing a program in which CDBG funds are utilized.

Subrecipient Organizational Standards

Upon execution of the agreement between Richland County and the Subrecipient, the Subrecipient shall:

-Immediately report all changes in its articles of incorporation, bylaws, or tax-exempt status to Richland County via Neighborly within 30 days.

- Immediately report key staff changes such as a new Director, other key staff, or program or financial staff via email to the Community Development office within 30 days.
- Ensure no member of the Board of Directors is a paid employee, agent or subcontractor.
- Ensure all meetings of the Board of Directors are open to the public, except meetings, or portions thereof, dealing with personnel or litigation matters.
- Keep minutes of all regular and special meetings of the Board of Directors, have a regular meeting at least once a year, and upon request, forward copies to Richland County Community Development.
- Obtain and maintain the minimum insurance coverage.
- Obtain the necessary federal, state and local permits and licenses required to execute the Program. The Subrecipient further agrees to comply with all applicable federal, state and local codes, regulations, statutes, ordinances and laws.

Monitoring

Richland County is responsible for ensuring that Subrecipients comply with all regulations and requirements governing their administrative, financial and programmatic operations. This includes assuring that performance goals are achieved within the scheduled time frame and budget and, when necessary, taking appropriate actions when performance problems arise. Monitoring is not a "one-time- event".

Client Documentation

Each Subrecipient is required to maintain documentation on clients benefiting from activities and programs funded through the CDBG program. As a condition of receiving the HUD grant, Richland County, and in turn the Subrecipient, must certify that low- and moderate-income persons are being served. Exceptions to maintaining all of the required income documentation include clients of a battered women's shelter, seniors age 62 years and older, and persons with recognized disabilities. HUD also requires information on the race, gender, and ethnic background of the clients, how many are female heads of households, their residency in Richland County, and how many are very- low income. Richland County Community Development staff and HUD must also have access to the names and addresses of the clients. Any information regarding applicants for services funded through federal monies shall be held in strict confidence.

Quarterly Reports

Agencies will be expected to submit progress reports quarterly via Neighborly. **Quarterly Reports are due by 5pm on April 15th, July 15th, and October 14th of 2022 and January 14th of 2023.** Quarterly Reports explain the progress the program has made in relation to the goals and performance indicators outlined in the Contract's Scope of Work. Failure to submit Quarterly Reports may result in delayed reimbursements and/or negative marks on the performance reports provided to the Review Committee during review and consideration of proposals for future funding recommendations. The fourth and final Quarterly Report will serve as the Closeout Report. Please see Appendix I: Quarterly

Report for Quarterly Report Questions.

Site Visits

A site visit or monitoring visit may be conducted during the program year to review the Subrecipient's fiscal, management, and operational procedures as well as its compliance with ADA and CDBG requirements and to survey the program or services offered. If a site visit is conducted, the County will follow up with a Monitoring Letter, recognizing areas where the Subrecipient has done a good job or shown significant improvement as well as pointing out areas where corrective action or improvement is required. The Subrecipient will be required to respond in writing to any problems or concerns noted.

Auditing

All Subrecipients must submit a single audit, Audited Financials, or an Annual Certified Financial Statement. It is the responsibility of the Subrecipient to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the Audit will render the Subrecipient as noncompliant. This means that no funds may be drawn until Richland County Community Development has received and reviewed the copy of the audit. Richland County reserves the right to request a Subrecipient to hire a Certified Public Accountant to review and report on the agency financial and programmatic records.

Single Audit: Organizations that expend \$750,000 or more in one year in federal awards shall have a single or program specific audit conducted for that year.

Audited Financials: This means that a CPA has audited your records in accordance with generally accepted accounting practices and procedures, and provided a hard copy.

Annual Certified Financial Statement: This is the lowest threshold criteria and will only be accepted from those non-profits who can document that they did not qualify for a single or regular audit. Annual Certified Financial Statements (ACFS) must be certified (signed and dated) by the Treasurer and the Board President. They must also have the following certification statement: We, the undersigned, as Executive Director and Treasurer of (Name of Agency), hereby certify that, to the best of our understanding and knowledge, the attached Financial Statements fairly and accurately represent the financial condition and operations of this organization.

Richland County Internal Audit Reviews: Richland County reserves the right to have its Internal Audit Division review all Subrecipient records and transactions. Audit findings resulting in monetary repayment to the County will be collected by the County from the Subrecipient's non-federally funded resources. Richland County Internal Auditors review Community Development's Subrecipient monitoring/account reviews to begin their single audit reviews. Reports containing findings are then sent to both the Community Development and the Subrecipient for compliance. Progress on the compliance is also monitored. Failure to rectify findings within the given time frame may result in suspension, termination of grant agreement, and/or disbarment from future grant funding.

Program Termination

In the event the program terminates, copies of all records relating to the program or activity that are the subject of the Contract shall be furnished to Richland County. Financial statements submitted by the Subrecipient to Richland County shall be accurate and correct in all respects. Should inaccurate

reports be submitted to Richland County, the County may elect to have the Subrecipient secure the services of a licensed accounting firm. Cost of such accounting services are to be borne by the Subrecipient.

Fiscal Management

Subrecipients and subcontractors must comply with all applicable federal regulations governing the use of CDBG funds in addition to Office of Management and Budget (OMB) Circular 2 CFR Part 200. By accepting this grant, the Subrecipient certifies that it has established an effective and efficient system of accounting and administrative internal controls to properly conduct this grant with full accountability for the resources made available. Please see Appendix II: “Required Elements of Financial Systems for Managing Federal Funds” to ensure your organization has all of the required elements.

Eligible Expenses

To be eligible for reimbursement, costs must be in compliance with Office of Management and Budget Circular. The standards for determining the reasonableness, allowability, and allocability of costs incurred as part of CDBG-financed activities are found in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. General principles and examples of eligible costs are outlined below. This list is not comprehensive.

General Principles:

- a. Costs must be necessary and reasonable for the proper and efficient performance of the contract and in accordance with the approved budget. Richland County shall have final authority to determine in good faith whether expenditure is "necessary and reasonable".
- b. Costs must conform to the limitations within the contract, these guidelines, and to any governing statutes, regulations and ordinances.
- c. Costs must be fully documented and determined in accordance with approved accounting procedures.
- d. Costs must be the net amount of all applicable credits such as purchase discounts, rebates, sales or other income or refunds.

Examples of Eligible Costs:

- e. Personnel costs which reflect the actual amount of time each position spends on the CDBG funded program. This may include Fringe Benefits, eligible payroll-related costs of health insurance, retirement fund contributions, FICA, Worker's Compensation, and other payments made on the behalf of the employee. Employees must have all the pertinent federal deductions and taxes paid.
- f. Supplies as consumable commodities that have a useful life of one year or less and which are valued under \$500, except for computer equipment, which must be inventoried and accounted for separately.
- g. Direct Client Services such as rent, bus tokens, utilities, child care, and other program costs paid on behalf of clients.
- h. Communication such as costs of phones, Wi-Fi, leasing of phone equipment, and postage. If the amount of the Subrecipient's CDBG grant is less than the program total budget, phone costs are reimbursable at a percentage equal to the level of CDBG

- funding as compared to total program funding.
- i. Printing costs
- j. Costs associated with gas, electricity, water, and trash removal.
- k. Rent such as rental charges for real property or office space for a program. If an office is utilized by two programs during the same hours, the costs of the office should be allocated between the two programs equally.
- l. Costs for local travel such as for mileage reimbursement and conference expenses within Richland County. Mileage reimbursement includes only travel by staff or volunteers for conducting the business of the Subrecipient.
- m. Costs for non-local travel (outside of Richland County but still within SC) such as expenses of employees and volunteers for actual mileage. Out of state travel requires prior County approval. Request approval via email.
- n. Insurance-related costs required for the operation of the program.
- o. Food/snacks costs are eligible only for clients, and must be an integral part of the program such as afterschool snacks for children in a particular program or lunch for preschool.
- p. Audit Fees but only to the extent of the total Richland County federal funds in the budget. For example, if the audit cost is \$5,000, and only 20% of the program's overall budget is from Richland County federal funds, only \$1,000, or 20% of the bill will be allowed.

Ineligible Expenses

- a. Bad debts: any losses arising from uncollectable accounts and other claims, and related costs.
- b. Contingencies: contributions to a contingency reserve or any similar provisions for unforeseen events.
- c. Contributions and donations.
- d. Entertainment: costs of amusements, social activities, holiday events, and incidental costs such as meals, beverages, lodging and gratuities relating to entertainment, or any political or lobbying activity.
- e. Awards ceremonies, banquets, trophies, or plaques.
- f. Fines and penalties: costs resulting from violations of or failure to comply with Federal, State, and local laws and regulations.
- g. Interest and other financial costs: interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and legal and professional fees paid in connection therewith.
- h. Costs of membership in any organization, which devotes a substantial part of its activities to influencing legislation.
- i. Taxes.
- j. Personal phone calls and calls made for the purpose of raising funds.
- k. Personal mileage, including from home to work.
- l. Funds expended prior to the commencement of the contract or subsequent to the suspension or termination of the contract.
- m. Costs used to meet cost sharing or matching requirements of any other funding source in either the current or a prior period.

NOTE: Non-profit agencies are exempt from paying federal unemployment tax, although State

unemployment tax applies. You will not be reimbursed for any federal unemployment taxes you pay.

Budget Revisions

Modifications to approved budgets line items are allowable but must be directly related to changes in program services and activities and may not increase the budget total. To implement a budget modification, the Subrecipient must submit a written request via email which identifies the reasons for the adjustment and identifies which line items are to be increased and which are to be reduced. Richland County Community Development has the authority to grant or deny requests for budget revisions. Richland County will issue a written decision via email within ten business days of receiving the request. If approved, the revision to the Subrecipient's Contract with the County will take about 30 days.

Procurement and Contracting

Please see Appendix III: Procurement Guidelines. It is important to note that general purchases of \$1,500 and less require no documentation; \$1,500-\$15,000 require three documented quotes; \$15,000-\$100,000 require a formal solicitation; and \$100,000 may require Council approval.

Equipment Procurement:

1. Equipment v. Supplies

Equipment is defined as tangible property costing more than \$500 and having a useful life of more than one year. The purchase of equipment is generally ineligible under CDBG Public Services, because equipment can be rented at a lesser cost for a short period of time. Items which cost less than \$500 and which have a useful life of less than one year are considered to be supplies, except for computer equipment, which must be inventoried and accounted for.

2. Limitation on Purchase of Equipment

Under HUD regulations, the purchase of equipment, fixtures, or furnishings that are not an integral structural fixture is ineligible except when necessary for use by Richland County or a Subrecipient in the administration of the overall County CDBG grant or as part of the administration of a public service program. Purchase of vehicles is not permitted.

3. Request to Purchase Equipment

All purchases of equipment require prior County approval. Purchase of equipment is sometimes allowed if it is essential for the operation of the program and where it is more cost effective to purchase equipment rather than rent it. Equipment includes any item with a useful life of more than one year and a cost greater than \$500. Requests to purchase equipment are to be sent to Richland County Community Development via email. The request is to include the cost of the item, where it will be purchased, a detailed explanation of why it should be bought rather than leased or rented, and where the funds for the purchase will come from. If County CDBG funds will only be paying a portion of the purchase, list other funding sources and the respective amounts. Richland County will review the request and issue a decision within 10 working days. Rationale for a negative decision will be included in the response.

Subcontracts: Should a Subrecipient find it necessary to subcontract in order to meet its obligations under its agreement with Richland County, it must enter into a written agreement with those individuals or organizations providing services. A signed copy of the contract must be uploaded to Neighborly. All Subrecipients in their first year of receiving CDBG funds from Richland County must

submit all subcontracts valued at more than \$500 to Richland County for review and approval prior to execution. Subrecipients in the second year of CDBG funding are required to obtain prior review and County approval only when the value of the subcontract exceeds 10% of its CDBG grant or \$10,000, whichever is less. All subcontracts requiring review and approval by Richland County must be submitted at least 10 business days prior to an effective date. Richland County will respond to the request for approval within 10 working days. Subcontracts must be approved prior to execution by any of the parties. Provisions Required in Subcontracts include: a County un-involvement clause releasing the County from any liability for any breach of the subcontract by either party; a termination date no later than the end of the current CDBG program year; an independent contractor clause stating that the subcontractor is an independent contractor or employee of the Subrecipient and is not an agent or employee of Richland County, and as such waives any claims to any rights or benefits which accrue to employees of Richland County.

Service Contracts: All grant funded service contracts (accounting, leases, janitorial, etc.) must be a written agreement between the Subrecipient and the firm/individual. Subrecipients must upload all service contracts into Neighborly as the Richland County Community Development Department must have copies of all service contracts that are to be reimbursed with CDBG grant funds.

Program Income

Organizations providing services funded through a Richland County CDBG grant may charge fees to clients to reduce the costs of service delivery. Such fees, or any other earnings generated through the use of CDBG funds, are considered to be program income (PI). PI includes, but is not limited to, fees charged for services, proceeds from the sale of tangible personal or real property, usage or rental fees, and patent or copyright royalties. Program income shall be recorded separately and returned to Richland County for disposition. Upon approval by the County, income from the program may be retained by Subrecipient provided that written notification is given to the Community Development Director and that the income is to be used for the exclusive benefit of the program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations. All PI must be reported. Donations are not PI and do not have to be reported. Donations are defined as free will offerings to an organization not related to receiving a service or benefit. PI does not reduce the size of the organization's CDBG grant if the PI is spent on eligible items. However, any PI not spent will result in a reduction in the amount of funds reimbursed.

Reimbursement

The CDBG Public Services program is on a cost reimbursement payment method. Subrecipients must complete and submit Request for Reimbursement to Richland County through Neighborly, as well as provide all necessary supporting documents via Neighborly for review. **Subrecipients are required to submit requests for reimbursements at least quarterly, but may be as frequent as monthly.** Subrecipients must submit their final Request for Reimbursement by January 15, 2023. Categories of expenses in the reimbursement request should correlate directly to the Subrecipients approved budget for the grant award. Subrecipients must highlight the total or the portion of requested reimbursement on all invoices, receipts, pay stubs, etc. before submitting. Richland County may also require that the Subrecipient revise the request for reimbursement if an error, adjustment, or clarification is necessary. A request for reimbursement will not be paid on unless the review process and payment request are complete to include verification of all supporting documents. Accuracy of submittals is important as errors slow down the process.

From the time documents are complete and received by Richland County, it will take approximately thirty (30) days to process the expense report if there are no issues or concerns with the payment request.

Invoices: In order for Richland County to reimburse the agency, documentation must be submitted to show who, what, when, and how the invoice was paid. Invoices should include vendor, amount paid, date of transaction, and proof of payment. Proof of payment can be in the form of cancelled checks and bank statements showing the expense processing in the bank or a copy of the check stub with endorsement documentation (the online portal system for banking institutions houses this information). For invoices paid by credit card, please include a paid receipt. A quote or order form will not be accepted. When at all possible, do not use cash, as this does not provide a proper audit trail.

Keep in mind when charging a percentage, the percentage of participants who are low-income Richland County residents must be documented. To do this, provide a copy of the client roster, with their addresses and highlight Richland County residents. This permits verification of the percentage.) Copies must be legible. Please do not send the originals as Subrecipients are required to retain the original invoices or sales receipts for all purchases in their own files. Receipts cannot be dated prior to the beginning of the program year January 1, 2022 or after the end of the program year December 31, 2022.

Payroll: Payroll documentation should include name of employee, title, payroll dates and amount paid. This information is found on paystubs or printouts from the payroll system or provider. In addition to pay stubs, a cancelled check from the bank or bank printout showing direct deposit for the pay date is required to document the expense. If a sub-recipient requests reimbursement for fringe benefits associated with payroll, invoice and payment documentation is required for the health insurance vendor, etc. If requesting payroll reimbursement, copies of time sheets must be included. The time sheets must include documentation of time spent working on the funded CDBG project and not include time spent on other projects.

Mileage and Travel: Per the IRS allowances found at IRS.gov, the CDBG program will reimburse those reasonable mileage and travel costs that are necessary to carry out the services identified in the Subrecipient's Contract with Richland County. Mileage and travel expenses not necessary for the program, or of a personal nature, are not eligible for reimbursement. Volunteers authorized by the program to be reimbursed for mileage relating to services for the program must provide proof of automobile insurance, copies of which must be kept at the Subrecipient's office.

Mileage: The Subrecipient shall submit written mileage records identifying the driver of the vehicle, the number of miles driven on each day, and the purpose of the trip. The Subrecipient shall certify the accuracy of the information reported. Travel to and from work is not an eligible expense for mileage reimbursement.

Travel: Reimbursable costs include conferences, lodging, food, and other non-mileage costs. Community Development policy requires that all travel costs be kept to a minimum. Supporting documentation must be provided with all requests for travel reimbursement.

a) **Local Travel:** Defined as travel within Richland County.

- b) **Non-Local Travel:** Non-local travel is travel to a location outside of Richland County, but within South Carolina. No prior approval is required for these trips.
- c) **Out-of-State Travel:** Approval for out-of-state travel must be requested in writing via email from Richland County's Community Development Manager 10 working days prior to the trip. The Community Development Manager will review the request and provide a response within five (5) working days.

Spending Requirements

CDBG funds must be spent in a timely manner. Unspent funds cannot be carried forward and are forfeited at the end of the program year. Community Development strongly encourages Subgrantees to expend their funds in the following manner: 50% by June 30, 2022 and 75% by September 30, 2022. All funds must be expended by December 31, 2022.

After Closeout

All property, supplies, etc. purchased pursuant to this agreement and not consumed shall become property of Richland County unless the Subrecipient requests to continue to utilize what has been purchased in order to continue meeting grant objectives and it is approved by the County in writing.

Equipment Disposition: All equipment with a cost of \$500 or more purchased with HUD grant funds shall revert to Richland County at the close of the activity. If a Subrecipient wishes to continue utilizing the equipment, and is not funded the following year, a letter must be submitted to the CD requesting approval and describing how, through the continued use of the equipment, the grant objectives will be met. Richland County reserves the right to refuse any request.

Equipment shall be depreciated on a 5-year, straight-line basis, as is the accounting standard used for Richland County in its financial management. A Subrecipient is required to maintain records of the HUD funded equipment purchases and report to Richland County during the 5-year depreciation period. If the property is disposed of prior to the 5-year depreciation period, Richland County shall provide the Subrecipient with disposition instructions upon request. If the property is disposed of for cash during this period it constitutes Program Income, which must be reported. When equipment has been fully depreciated, and the equipment is sold, the Subrecipient may retain such funds provided that Richland County is notified in writing and the funds are used for the exclusive benefit of the previously HUD funded program.

Real Property Disposition

Real property is defined as land, including land improvements and buildings. Any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 must continue to meet the National Objective of the program for a minimum of 5 years after expiration of the contract, or for a period of time as deemed appropriate by Richland County.

If not used as stated above, the Subrecipient must sell the real property in a manner that results in the reimbursement of the federal grant funds that were expended for the project.

Records

Grant Records Maintained for at Least Five Years: To adhere to HUD's legal requirement as contained in 24 CFR Part 570 Subpart J, recipients are required to keep records associated with CDBG grant transactions for five (5) years after the final Quarterly Report and reimbursement request are

submitted for that grant. Subrecipients may be required to retain records longer than the specified time period if the records relate to audit resolution, audit appeal, or other action initiated prior to the end of the record retention period, but extending beyond that period. For each activity, the following three (3) types of documentation must be kept.

1. Records showing the activity is used by a segment of the population presumed by HUD to be low/mod individuals, e.g., disabled persons, persons with HIV/AIDS, homeless; or
2. Records describing how the nature and, if applicable, the location of the activity establishes that it is used predominantly by low-and moderate-income individuals. (Census tract data); or
3. Data showing the size and annual income of the immediate family of each individual receiving the benefit, if not in the applicable low-income census tracts.

Access to Records: HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access Subrecipient agency program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding the current funded programs and past, consistent with applicable State and local laws regarding privacy and confidentiality. For each program the agency should determine what data must be maintained in the program files and establish a system for ensuring that every file contains the necessary information.

This list will vary from program to program, but each file should include the following:

- CDBG application
- Richland County Contract
- Procurement information, bids and other contracts
- Budget
- Expenditure and payment information including supporting documentation
- Characteristics and location of clients served
- Program status, progress reports, audits, monitoring reports and correspondence

Appendix I: Quarterly Reports

The Quarterly Report as well as the final Quarterly Report/Closeout Report are to be Completed in Neighborly. Questions with an * are required.

1. *Total Count of unduplicated clients served through CDBG funds thus far in 2022
2. *Quarterly count of beneficiaries categorized by race/ethnicity, gender, income level, female head of household, elderly (62.5+), individuals experiencing homelessness, and elderly persons
3. *Provide a brief summary of progress on meeting goals and performance measures DURING THIS REPORTING PERIOD described in your application and CDBG contract. Do this by listing your outcome goals in bulleted form and describing progress made.
4. If there is little or no progress to report in the previous question, please explain the circumstances and challenges and outline plans, steps, and strategies to address the issue/s and provide a new anticipated date of completion for those objectives.
5. *Do you see any obstacles to completing the performance measures for the activity/program within the contract period?
6. Share any upcoming events, conferences, workshops, presentations, etc. that you wish for Community Development staff to be aware and/or possibly attend.
7. Please attach any notices of change to your organization's staff and/or board of directors (Notices are required if there have been any changes).
8. Upload Program Income documentation here, if applicable.
9. Please attach any photos of projects or programs supported through CDBG Public Services funding that you have permission to share and grant the County permission to share publicly.
10. Additional Documents: If your organization and/or other agencies and organizations have conducted an evaluation or report relevant to your CDBG program and/or Richland County in general, you are welcomed and encouraged to include such reports as an attachment to this Quarterly Report. You may also attach any other additional supporting documents you wish such as briefs, plans, media clips, etc. that are relevant to your funded program.

The final Quarterly Report/Closeout report will include the above questions plus the following questions:

1. Describe any resources that were leveraged with CDBG funds, including any matching funds or donations that would not have been received without your CDBG award.
2. Please provide any additional comments or feedback you may have about the program or CDBG funding in general. If any concerns are identified, please share suggestions for improvement.

Appendix II: Required Elements of Financial Systems for Managing Federal Funds

When agencies begin providing services and requesting reimbursement, some may not have the financial systems in place to meet Federal requirements. Below is a summary of the required elements of financial systems for managing Federal funds. Please review the following sets of questions to find out if there are certain areas that the agency may need help with. Below are questions Subrecipients should ask themselves from the Playing by the Rules A Handbook from HUD:

1. **Internal Controls:** Does the agency have a written set of policies and procedures that define staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents? Does the agency have written accounting procedures for approving and recording transactions? Are financial records periodically compared to actual assets and liabilities to check for completeness and accuracy?
2. **Accounting Records:** Does the agency maintain an adequate financial accounting system, the basic elements of which should include: (a) a chart of accounts; (b) a general ledger; (c) cash receipts journal; (d) cash disbursements journal; (e) a payroll journal; and (f) payable and receivable ledgers. Does the accounting system provide reliable, complete and up to date information about sources and uses of all funds? Are “trial balances” performed on a regular basis (at least quarterly)?
3. **Allowable Costs:** Does the agency have a clearly defined set of standards and procedures for determining the reasonableness, allowability and allocability of costs incurred that is consistent with the basic Federal rules (OMB Circular 2 CFR Part 200)? Does the agency know which specific types of expenditures are prohibited under the CDBG program? If approved for indirect costs, does your agency have a HUD approved indirect cost allocation plan?
4. **Source Documentation:** Does the agency maintain up to date files of original source documentation (receipts, invoices, cancelled checks, etc.) for all financial transactions, including those involving obligations incurred and the use of program income?
5. **Budget Controls & Cash Management:** Does the agency maintain an up to date (approved) budget for all funded activities, and perform a comparison of that budget with actual expenditures for each budget category? Does the agency regularly compare progress toward the achievement of goals with the rate of expenditure of program funds? Does the agency have a regular procedure for accurately projecting the cash needs of the organization, and for minimizing the time between the receipt of funds from the grantee and their actual disbursement? Can the agency ensure that all program income is used for permitted activities, and that such program income is used before further drawdowns are made from the grantee for the same activity?
6. **Financial Reporting:** Is the agency able to provide accurate, current, and complete disclosure of the financial results of each Federally-sponsored project or program in accordance

with the reporting requirements of the grantee and HUD?

7. Audits: When was the last audit conducted of the agency by either a Certified Public Accountant or a qualified accountant and what were the results? Does the agency have a copy of the management letter? Is the agency aware of the different types of audits, and is the CPA capable of conducting and completing a 2 CFR Part 200 single audit if the agency qualifies for one? Has the agency completed the annual IRS form 990 report and submitted it on time? All agencies with \$25,000 and more in annual income per year must follow this IRS rule.

If the answer is “yes” to all of these questions, then the agency has established a commendable degree of control over its financial affairs. If not, then the agency must develop policies and procedures to allow for the above. Subrecipients are required to have accounting records that adequately identify the source and application of CDBG funds provided to them.

Procurement Requirements – If you plan to purchase materials, agency products, or services under the CDBG program, the agency must follow a free and open competitive process in securing products or services. **Agencies must properly document the purchase activity and decisions. All procurement undertakings must make an effort to outreach/utilize Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) firms. Documentation must be maintained to verify the outreach efforts.**

The requirements for financial management systems and reporting can be found in 2 CFR Part 200 and 24 CFR Part 570.

Appendix III: PROCUREMENT GUIDELINES

All purchases of goods and services with these funds shall be procured using policies that model Richland County's Procurement Code (Article X) and/or SC State Code (Title 11, chapter 35). Highlights of these policies are summarized for you in this document. All purchases made shall be made in a manner which provides for the greatest economy for the taxpayer, the fairest selection of vendor, and the prevention of conflicts of interest.

Please note that Subgrantees should not make multiple transactions to the same vendor on the same day or over a few days when the combined total of the orders exceeds the expenditure thresholds. This is considered splitting purchase transactions. Whether the action is intentional or not, it is a violation of the SC Procurement Code.

Subgrantees must keep procurement paperwork on file and the County may monitor compliance. From the time of the grant award through five years after the Subgrantee's final CDBG reimbursement from the County, Subgrantees may be asked to produce procurement documents to include: vendor quotes, solicitations, proof of public advertising, selection documentation/bid tabulation, sole source documentation, and state contract listings. Failure to follow this Council directive will result in an Organization being deemed non-complaint and may impact future funding from Richland County.

Expenditure Threshold Guidelines for General Purchases:

- **\$1,500 and less** (excluding sales tax but INCLUDING any delivery/transportation/handling fees, etc.) requires no written documentation.
- **\$1,500 - \$15,000** (excluding sales tax but INCLUDING any delivery/transportation/handling fees, etc.) requires 3 written quotes from vendors Note that all quotes must be generated by the vendor on the vendor's letterhead (an email is sufficient) or official signed document.
- **\$15,000 - \$100,000** requires a formal solicitation which must be publically (The State, Columbia Star) advertised and receive as much exposure as possible. The solicitation, whether an Invitation for Bid (IFB), Request for Proposal (RFP), Request for Qualifications (RFQ), or any other type of bidding method must allow for a minimum advertising time of 10 days before the solicitation can be formally opened.
- **\$100,000 plus** – same guidelines as above, but these amounts may require Council approval, so make sure to discuss with the Community Development staff before soliciting quotes or proposals of this amount.

Exception: Organizations may purchase items from vendors on the State Vendor list without going through the quote or solicitation process. You may find the most current list of state contract vendors on the SC Budget and Control Board's website <https://procurement.sc.gov/contracts>. (Please note that discounts that may be listed on this page are only for state agencies.)

When There's Only One Vendor Available (Sole Source):

Sole Source requires extensive documentation which thoroughly confirms that there is only one source for the required supply, service, information technology, or construction item. Written documentation must include the determination and basis for the proposed sole source procurement. In cases of reasonable doubt, competition must be solicited. Any decision that procurement be restricted to one potential vendor must be documented with an explanation and kept with your CDBG files.

Examples of "Sole Source" Hospitality Tax expenditures would be, but not limited to:

- Salary for a part-time or full-time employee - Agency must document employment status.
- Ad purchase to a media company (newspaper, TV, radio, or social media site)

- Public Safety (Richland County Sheriff's Department/City of Columbia Police Department/City of Columbia Fire/Richland County EMS)
- Utility payments
- Postage (postage cost only, not mail-house services)

Guidelines for Formal Solicitation Processes:

1. Competitive sealed bidding (preferred method of procurement, commonly known as an IFB):

Invitation for Bids (IFB): An invitation for bid must be issued in an efficient and economical manner and must include specifications and all contractual terms and conditions applicable to the procurement. Adequate notice of the invitation for bids must be given at a reasonable time before the date set forth in it for the opening of bids. The invitation for bids must set forth the evaluation criteria to be used. Criteria must not be used in bid evaluations that are not specifically stated in the invitation for bids official document. Bids must only be evaluated based on the requirements in the invitation for bids. All bids, including modifications, received before the time of opening must be kept secure and unopened. The tabulation of bids must be open to public inspection at that time. Bids must be accepted unconditionally without alteration or correction.

Tie Bids: If two or more bidders are tied in price while otherwise meeting all of the required conditions, awards are determined in the following order of priority:

- (a) If there is a Richland County firm tied with an out-of-state firm or out-of-county firm, the award must be made automatically to the Richland County firm.
- (b) In all other situations in which bids are tied, the award must be made to the tied bidder offering the quickest delivery time, or if the tied bidders have offered the same delivery time, the tie must be resolved by the flip of a coin witnessed by the procurement officer. All responding vendors must be invited to attend.

2. Considering Factors Other Than Price (Competitive Best Value Bidding):

When a purchasing agency determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the organization, a contract may be entered into by competitive best value bidding. The purpose of best value bidding is to allow factors other than price to be considered in the determination of award for specific supplies, services, or information technology based on pre-determined criteria identified by the organization. Adequate public notice of the request for the solicitation shall be given in the same manner as described above. The best value bid must state the factors to be used in determination of award and the numerical weighting for each factor. Cost must be a factor in determination of award and cannot be weighted at less than sixty percent. Bids shall be evaluated by using only the criteria stated in the best value bid and by adhering to the weighting as assigned. All evaluation factors, other than cost, will be considered prior to determining the effect of cost on the score for each participating bidder. Once the evaluation is complete, all responsive bidders shall be ranked from most advantageous to least advantageous to the organization, considering only the evaluation factors stated in the best value bid. The awarded contract file shall contain the basis on which the award is made and must be sufficient to satisfy external audit.

3. Competitive Sealed Proposals (commonly known as an RFP):

When a determination is made in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the organization, a commodity, service or construction may be bid via a Competitive Sealed Proposal (commonly known as an RFP). The central difference between an Invitation For Bids (IFB) and an RFP is that IFB contracts are not negotiated, and RFP contracts may be negotiated. Adequate public notice of the request for proposals must be given as described above. The RFP must state the relative importance of the factors to be considered in evaluating

proposals but may not require a numerical weighting for each factor. Price may, but need not, be an evaluation factor. Proposals must be evaluated using only the criteria stated in the request for proposals and there must be adherence to weightings that have been assigned previously. The Subgrantee will negotiate with the highest ranking offeror on price, on matters affecting the scope of the contract, so long as the changes are within the general scope of the request for proposals, or on both. If a satisfactory result cannot be negotiated with the highest ranking offeror, negotiations may be conducted with the second, and then the third, and so on. The award must be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the organization, taking into consideration price and the evaluation factors set forth in the request for proposals. The Subgrantee's files must contain the basis on which the award is made and must be sufficient to satisfy an audit.

Appendix IV: Eligible and Ineligible Public Service Activities
Excerpts from Basically CDBG Chapter 7 Public Services
from HUD's Office of Block Grant Assistance

Eligible Public Service Activities

- ✓ The CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to:
 - Employment services (e.g., job training);
 - Crime prevention and public safety;
 - Child care;
 - Health services;
 - Substance abuse services (e.g., counseling and treatment);
 - Fair housing counseling;
 - Education programs;
 - Energy conservation;
 - Services for senior citizens;
 - Services for homeless persons;
 - Welfare services (excluding income payments);
 - Down payment assistance (also refer to Chapter 4); and
 - Recreational services.

- ✓ CDBG funds may be used to pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

- ✓ To utilize CDBG funds for a public service, the service must be either:
 - A new service; or

- A quantifiable increase in the level of an existing service which has been provided by the state or another entity on its behalf through state or local government funds in the 12 months preceding the submission of the state’s Consolidated Plan Annual Action Plan to HUD.
- ✓ An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the local government.
- ✓ This provision was put into place to ensure that localities did not use CDBG funds to replace local or state monies to fund essential services typically offered by the local government entity.
- ✓ Specifically, the public services provision applies in the following manner:
 - If a service is new, it may be funded.
 - If a service is existing, determine whether it was provided by or on behalf of the unit of local government with local or state funding.
 - If it was not provided by or on behalf of the local government with funding from the local government, it may be funded,
 - If it was provided by or on behalf of the local government with funding from the local government, it must be determined whether the proposed service will be a quantifiable increase in the level of service. If it can be documented that the service is a quantifiable increase in the level of service, it may be funded.
 - The regulations do not prohibit a state and UGLG from continuing to provide funding to a CDBG-funded public service at the same or decreased level in subsequent program years.

Ineligible Public Service Activities:

- ✓ The provision of “income payments” is an ineligible CDBG activity if these payments are provided as a grant.
 - Income payments are payments to an individual or family, which are used to provide basic services such as food, shelter (including payment for rent, mortgage, and/or utilities) or clothing.
 - However, the entitlement rules note that such expenditures are eligible under the following conditions:

- The income payments do not exceed three consecutive months; and
 - The payments are made directly to the provider of such services on behalf of an individual or family.
 - Income payments that are provided as a loan are permissible within the public services cap.
- ✓ Political activities are ineligible.

Applicant:

Date:

Scoring Committee Member:

Point Total:

Richland County CDBG Public Services Applications FY21 Scoring Sheet

Corresponding questions from the application in Neighborly are in parentheses below. Applicants may have also addressed the topics listed in each section below in other sections of their application. Therefore, please be sure to read the applicants' entire application to determine the appropriate score for each section. After you finish scoring, tally your numbers and write the total at the end of this scoring sheet. Then, please tally them a second time to ensure your tally is correct, and write the total at the top of this scoring sheet.

Please note that applications who have reached this round for scoring have already been vetted via their application for meeting other necessary components of being eligible for CDBG reimbursement (ex: DUNS number obtained, program meets national and county objectives, matching funds are secured, ADA compliance, etc.).

Demonstrated Need for Services (B.6, C.3)

The applicant clearly demonstrates the need for the program and/or the need to increase the program's current service level.

Did Not Demonstrate (0 points)

Satisfactorily Demonstrated (8 points)

Poorly Demonstrated (4 points)

Excellent Demonstrated (12 points)

Program (B.6, B.9, C.2)

The described program appears to be reasonable, impactful, and likely successful.

No (0 points)

Satisfactory (8 points)

Somewhat (4 points)

Excellent (12 points)

Funding Request (H.2)

The proposed budget seems reasonable to meet program goals and objectives.

Unreasonable (0 points)

Reasonable (8 points)

Somewhat Reasonable (4 points)

Very Reasonable (12 points)

Collaboration (C.3, C.4)

Appropriate steps have been taken to collaborate with other organizations and avoid duplication.

No Attempt (0 points)

Satisfactory Attempt (6 points)

Poor Attempt (3 points)

Excellent Attempt (9 points)

Transportation (C.4)

There are Accessible Transportation Methods to the Program Site

No Proposed Methods (0 points)

Satisfactory Methods (6 points)

Poor Methods (3 points)

Excellent Methods (9 points)

Promotion (C.4)

Potential beneficiaries are likely to hear about the program.

Not Likely (0 points)

Satisfactory Likelihood (6 points)

Minimal Likelihood (3 points)

Very Likely (9 points)

Program Site (C.1, C.4)

The site is ideal for the program.

No (0 points)

Adequate (6 points)

Somewhat (3 points)

Excellent (9 points)

Outputs (B.9, D.2)

Outputs are realistic and align with proposed outcomes.

No (0 points)

Adequate (6 points)

Somewhat (3 points)

Excellent (9 points)

Outcome Measurement (D.2)

The organization's current methods or future plans for measuring program outcomes demonstrate consistent accountability to program outcomes and clear program reporting and monitoring practices.

No (0 points)

Adequate (6 points)

Somewhat (3 points)

Excellent (9 points)

Methods of Collecting Beneficiary Data (D.3)

The organization's current methods or future plans for collecting beneficiary data meet County and HUD requirements.

No (0 points)

Adequate (6 points)

Somewhat (3 points)

Excellent (9 points)

Prior Experience (B.4, D.4)

The organization has an excellent track record in assisting clients and meeting goals and objectives.

No (0 points)

Adequate (6 points)

Somewhat (3 points)

Excellent (9 points)

Dedicated Staff (D.5)

The organization has a dedicated staff member/s to carry out the program if awarded.

No (0 points)

Yes (5 points)

Point Total:

