

GAP-CDBG Requirements

Purpose of the Community Development Block Grant: *Development of viable urban communities, principally for low/mod persons, through:*

- ◆ Decent housing
- ◆ Suitable living environment
- ◆ Expanded economic opportunity

All CDBG activities must:

- ◆ Benefit low/mod income persons-GCRA emphasis neighborhoods qualify as the areas fall within census tracts identified predominately populated by low-moderate income residents. At least 51 percent of the neighborhood residents have incomes at or below 80 percent of the area median income.
- ◆ Prevent or eliminate slums and blight OR
- ◆ Meet an urgent need

Subrecipients

- ◆ Public or private nonprofit organization/ agency receiving CDBG funds from grantee for eligible activities. Before disbursing funds to any organization that is carrying out CDBG activities on behalf of the grantee as a subrecipient, a written agreement must be executed. Nonprofit status imperative; with bylaws, recording keeping skills and supplies
- ◆ Beneficiaries of assistance are not subrecipients

Wide variety possible Activities

- ◆ Acquisition of Real Property
- ◆ Disposition
- ◆ Public Facilities and Improvements
- ◆ Demolition/Clearance
- ◆ Public Services
- ◆ Interim Assistance
- ◆ Relocation
- ◆ Loss of Rental Income
- ◆ Privately-Owned Utilities
- ◆ Rehabilitation
- ◆ Construction of Housing
- ◆ Code Enforcement
- ◆ Special Economic Development Activities
- ◆ Microenterprise Assistance
- ◆ Special Activities by CBDOs
- ◆ Homeownership Assistance
- ◆ Planning & Capacity Building
- ◆ Program Administrative Costs
- ◆ Miscellaneous Other Activities

- ◆ Economic development
- ◆ Public facilities
- ◆ Public services
- ◆ Planning and administration
- ◆ Others

Ineligible Activities

- ◆ To finance the use of facilities or equipment for political purposes or to engage in other partisan political activities. However, voter registration events are ok as long as its equal access for all parties and organizations etc.
- ◆ Purchase of furnishings and personal property. Furnishings and other property can be purchased a subrecipient in the administration of activities assisted with CDBG funds considered public services. Ex: your organization would have to have an official office offering public services to purchase furnishings/office supplies etc.
- ◆ Income payments to individuals or families for their food, clothing, rent, utilities, etc.

Always Be Mindful

- ◆ **Conflicts of Interest - 24 CFR 570.611** – No neighborhood association board member can have any financial interest, direct or indirect, which would conflict in any manner with the performance of services funded by this grant. No person having a financial interest can be employed or retained by the neighborhood association with this grant.
- ◆ **Separation of Church & State - 24 CFR 570.200(j)** – No funds can be used for religious activities, to promote religious interests, or for the benefit of a religious organization.
- ◆ **Involvement in Political Activities** - Chapter 15 of Title V United States Code - No funds provided, nor personnel employed under this grant can in any way or to any extent engaged in the conduct of political activities
- ◆ The neighborhood association can not assign or transfer any interest in this Agreement without the prior written consent of GCRA.

Records & Financial Management

- ◆ The neighborhood association shall furnish all information and reports required hereunder and will permit access to its books, records and accounts by GCRA or HUD or public. (Always have a sign-in sheet at all meetings and events, take pictures, and complete event evaluation form).
- ◆ Every NA should have a cash receipts or disbursement journal etc. This journal documents chronologically the expenditures of the organization (e.g., when the expense was incurred, how much was spent, to whom funds were paid, and for what purpose). Always keep an copy of the approved budget for each year. Keep all receipts and invoices for all expenses.

- ◆ Every NA should have the capacity to provide the following for each CDBG activity:
 - Amount budgeted
 - Advances/reimbursements received to date
 - Program income and other miscellaneous receipts in the current period and to date
 - Actual expenditures/disbursements in the current period and cumulatively to date, for both program income and regular CDBG grant funds.
 - Unpaid requests for payment previously submitted at time of latest drawdown.

Record Retention

- In general, **records are to be retained for 4 years** from the date of the activity.

Procurement

- ◆ For all purchases under \$1,000, your organization agrees to provide three verbal quotes being sure to show that the least expensive service or product was purchased.
- ◆ For all purchases between \$1,001-\$5,000, your organization agrees to provide three written quotes being sure to show that the least expensive service or product was purchased