CHAPTER 8: FINANCIAL

DEHCR - BUREAU OF COMMUNITY DEVELOPMENT



FINANCIAL MANAGEMENT

- CDBG recordkeeping requirements are set in accordance with 24 CFR Part 570.490, Recordkeeping Requirements
- CDBG funds must be maintained in a separate non-interest-bearing account or in a separate non-interest-bearing fund within an existing account
- Detailed records of receipts and expenditures of grant funds must be maintained at all times
- Records must be supported by source documents including but not limited to deposit receipts, invoices and payments, and contracts awarded

FINANCIAL MANAGEMENT (CONTINUED)

- Financial record-keeping is the fundamental responsibility of UGLG's Chief Financial Officer (CFO) such as the Treasurer or Clerk
- The UGLG's financial management procedures must be consistent with Generally Accepted Accounting Principles (GAAP) and federal requirements



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KEY STEPS TO ACCURATE FINANCIAL RECORDKEEPING:

- Designate the project's financial manager*
- Establish separate ledger accounts, and the accounting records for the project
- Establish procedures for:
 - · Approving invoices,
 - · Submitting CDBG payment requests, and
 - Disbursing project funds (issuing payments to vendors and/or reimbursing the UGLG as needed)
- Review the Grant Agreement



* The project's designated financial manager is usually the person responsible for submitting reports to DEHCR.

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INCURRING COSTS

- The UGLG assumes full responsibility for the project, including payment of all project-related contracts executed prior to the execution of the *Grant Agreement*
- No CDBG payment requests will be considered by DEHCR until the UGLG has executed the *Grant Agreement* and has obtained the *Release of Funds* letter from DEHCR's Environmental Desk
- Two (2) types of project costs:
 - Soft Costs
 - Hard Costs

INCURRING COSTS (CONTINUED)

■ **Soft Costs,** such as administration, engineering* services, architectural services, and other non-construction related activities, may be incurred after the date of the *Grant Award Letter*

*Engineering costs for the project incurred 12 months prior to the submission of the application may be counted as Match. No other budget category qualifies for this credit.

Hard Costs, such as construction, property acquisition, and the purchase of materials, may only be incurred following execution of the DEHCR Grant Agreement, completion of the Environmental Review process, and completion of the applicable Labor Standards process.

IMPORTANT REMINDER!

Improperly procured professional services will <u>not</u> be paid with CDBG funding.



REQUESTING CDBG FUNDS

CDBG funds for **soft costs** may only be requested upon completion of the following:

- Signed Grant Agreement with the Division of Energy, Housing and Community Resources (DEHCR)
- Signed and completed Signature Certification form
- Signed and completed Depository Certification form
- Signed and completed STAR form (DOA-6456 for electronic deposits, or DOA-6457 for paper checks)



- Financial Management Contact Person form
- Signed and completed Request for Payment forms

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REQUESTING CDBG FUNDS

Hard costs may only be requested upon completion of the following:

- All required financial setup paperwork (refer to previous list for soft costs) is completed and submitted to DEHCR,
- Signed *Environmental Certification* letter and *Release of Funds* letter from the DEHCR Environmental Desk, and
- Applicable portions of the Labor Standards process:
 - LSO Designee (Attach. 7-C)
 - NEW 📥
- Record of Wage Decision (Attach. 7-D)
- Advertisement for Bids (Attach. 7-F)
- Bid Tab Summary
- Notice of Contractor Award (Attach. 7-H)
- Pre-Constr. Conference (Attach. 7-I, 7-J, and 7-K)

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REQUESTING CDBG FUNDS

The following items must be submitted to DEHCR with <u>each</u> CDBG payment request:

- Signed and completed Request for Payment form (see Attachments 8-F1 and 8-F2 for a sample form and instructions)
- Up-to-date Cash Control Register
 (see Attachments 8-G1 and 8-G2 for a sample form and instructions)
- Up-to-date CDBG Disbursements Journal (see Attachments 8-H1 and 8-H2 for a sample form and instructions)
- Up-to-date Matching Funds Journal (see Attachments 8-I1 and 8-I2 for a sample form and instructions)
- Supporting documentation justifying your request (invoices, receipts, checks, etc.)

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CDBG FUNDS

- CDBG funds can be:
 - Received by paper check (STAR form DOA-6457 for paper checks), or
 - Received by electronic bank transfer (STAR form DOA-6465 for electronic deposits)
- CDBG funds will be sent directly to the designated financial institution for deposit into the non-interest-bearing checking account that was specified on the Depository Certification form
- CDBG funds drawn must be disbursed within three (3) working days*
- If a dispute occurs with a contractor, the UGLG may retain received CDBG funds in the non-interest-bearing checking account beyond three (3) working days if the amount is less than \$5,000.00
 - * This three (3) working days rule applies to disbursement of CDBG funds as ⁹⁴ direct payments to contractors **and** applicable reimbursements to the UGLG.

CDBG FUNDS

- Administrative funds should be requested in approximate proportion to requests made from project budget categories
 - For example, if an overall average of 25 percent of the project budget has been drawn, do not expect to receive 50 percent of the administrative budget
- Matching funds must be kept in an account or account register <u>separate</u> from CDBG funds and are to be spent concurrently with, and in proportion to, CDBG funds
 - This means that if the project comes in under budget, a portion of the local dollars are not spent, and a portion of CDBG funds are not spent

CDBG FUNDS

Supporting documentation for CDBG funds requested must be submitted to DEHCR with <u>each</u> payment request:

- ■This includes invoices*, canceled checks or copies, and bank statements
- ■This documentation must **clearly** identify the items for which CDBG funds are going to be expended
 - * Clearly indicate the break-down of funds that will be used to pay each invoice.



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FINAL CDBG PAYMENT REQUEST

- DEHCR will withhold 10% of the total CDBG funds, up to \$25,000, until the project completion reports and supporting documentation have been received, reviewed, and approved by DEHCR
- Final CDBG payment requests <u>received after the due date</u> listed in the Grant Agreement will not be processed



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FINAL CDBG PAYMENT REQUEST (CONTINUED)

- The Final Labor Standards Compliance Report (FLSCR) must be submitted prior to, or with, the final request for payment form if Labor Standards are applicable to your project
- DEHCR reserves the right to withhold any and all payment requests until reporting requirements have been met and supporting documentation for expenditures is submitted and verified



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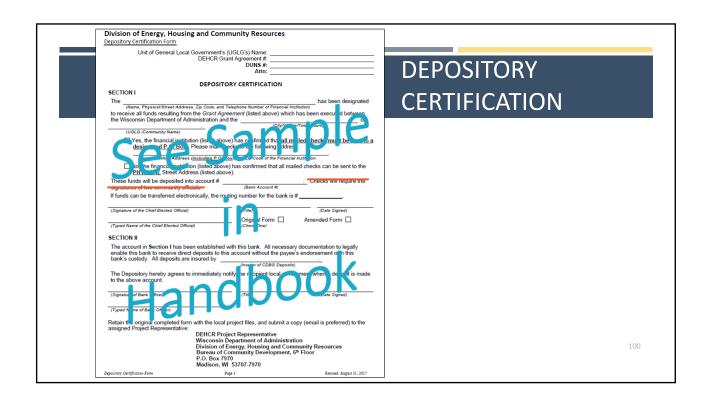
FINANCIAL MANAGEMENT ATTACHMENTS

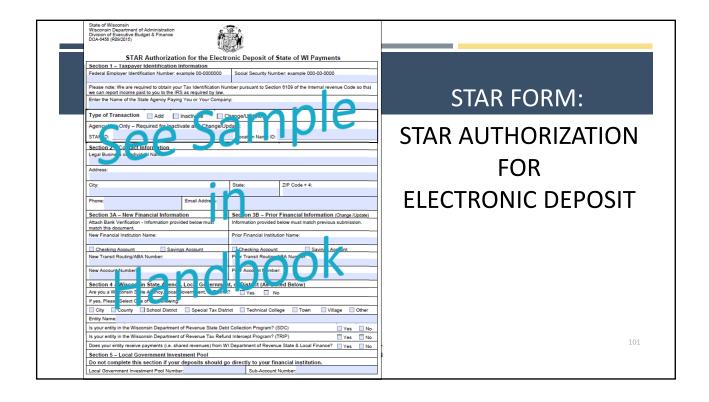
- Depository Certification
- STAR Authorization for Electronic Deposit (DOA-6456)
- STAR Vendor Information for Paper Checks (DOA-6457)
- Financial Management Contact
 Person Form
- Signature Certification

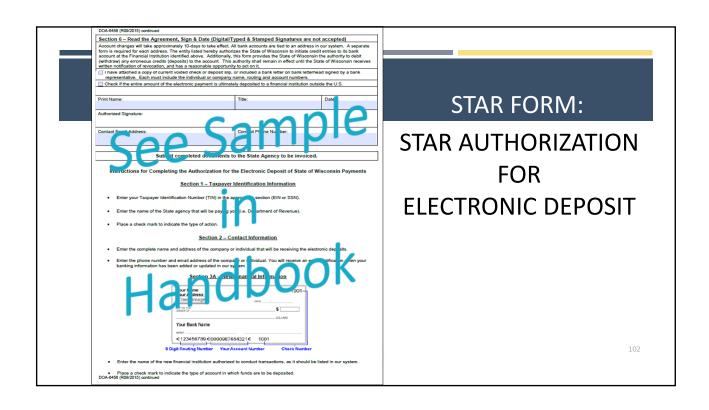
- Request for Payment Form
- Cash Control Register (CCR)
- CDBG Disbursements Journal (DJ)
- Matching Funds Journal (MFJ)
- W-9 Request for Taxpayer
 Identification Number (TIN) and
 Certification

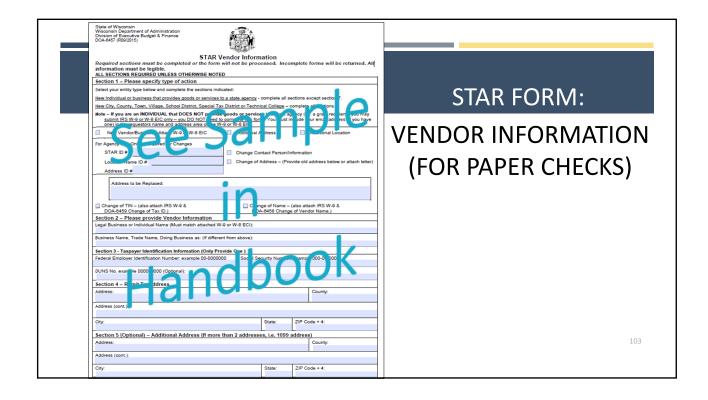


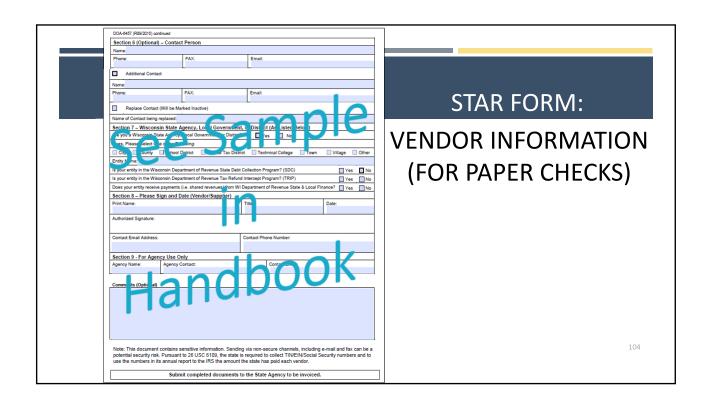
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	Energy, Housing and Community Resources	
	gement Contact Person Form	
UNIT OF	F GENERAL LOCAL GOVERNMENT'S (UGLG'S) NAME: DEHCR GRANT AGREEMENT #:	
	DEFICION GRANT AGREEMENT #.	FINANCIAL MANAGEMENT
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		CONTACT DEDCOM
FINANCIAL M	MANAGEMENT CONTACT PERSON:	CONTACT PERSON
(Person that will o	complete the CDBG Request for Disbursement form)	
CONTACT PE	ERSON'S TITLE:	
CONTACTE	INSONS TITLE.	
FIRM (if applic	cable):	
STREET ADD	DRESS:	
CITY:	STATE: ZIP CODE:	
PHONE NUM	BER:	
FAX NUMBER	R:	
EMAIL ADDRI	ESS:	
Submit this fo Representative	rm via e-mail (preferred) or postage-paid mail to the UGLG's assigned CDBG Project e in the Division of Energy, Housing and Community Resources (DEHCR):	
Email:	DOACDBG@wisconsin.gov	
Mail:	DEHCR Project Representative Wisconsin Department of Administration Division of Energy, Housing and Community Resources Bureau of Community Development, 6th Floor P.O. Box 7970 Madison, WI 53707-7970	105

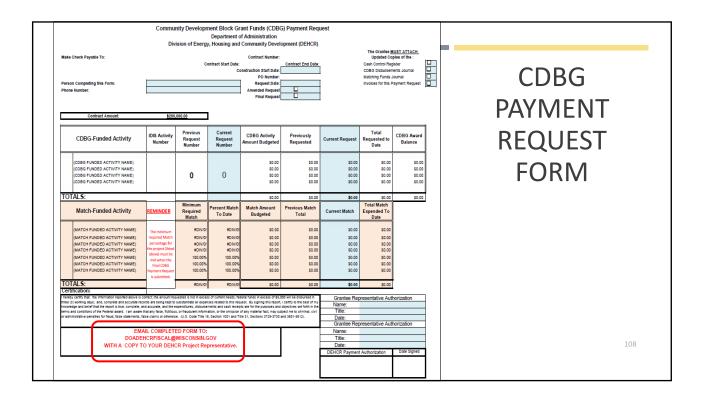
Division of Energy, Housing and Signature Certification Form	Community Resources	3		
UNIT OF GENERAL LOCAL GOVER	RNMENT'S (UGLG'S) NAME: HCR GRANT AGREEMENT #:			
	IRE CERTIFICATION F		SIGNATURE CERTIFICATION	
The Authorized Signatories cannot include	the Chief Elected Official (CEO)).		
Signature of Authorized Person	Title	Date		
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Signature of Authorized Person	Title			
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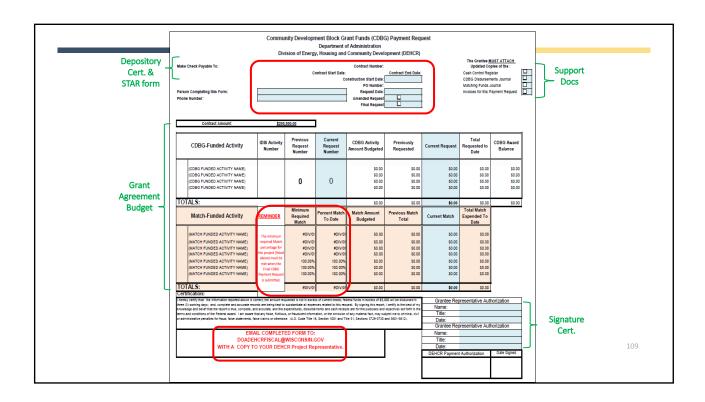
CDBG PAYMENT REQUEST DOCUMENTS

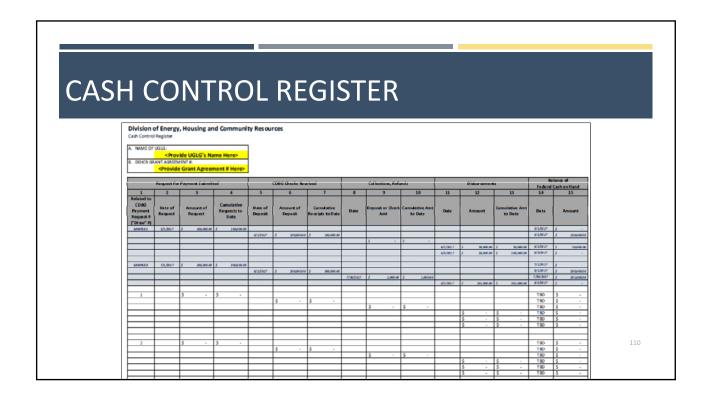
- CDBG Payment Request Form
- Cash Control Register (CCR) Shows the movement of CDBG funds during the project
- CDBG Disbursements Journal (DJ) Shows the payments & obligations of CDBG funds made throughout the project
- Matching Funds Journal (MFJ) Shows the payments & obligations of Match funds made throughout the project
- Invoices, Checks, and Bank Statements

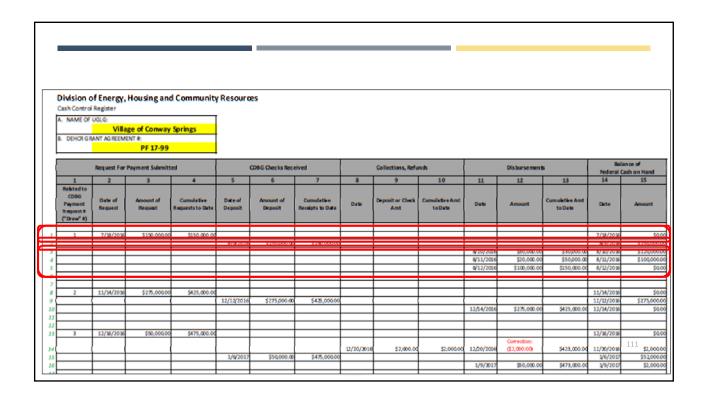


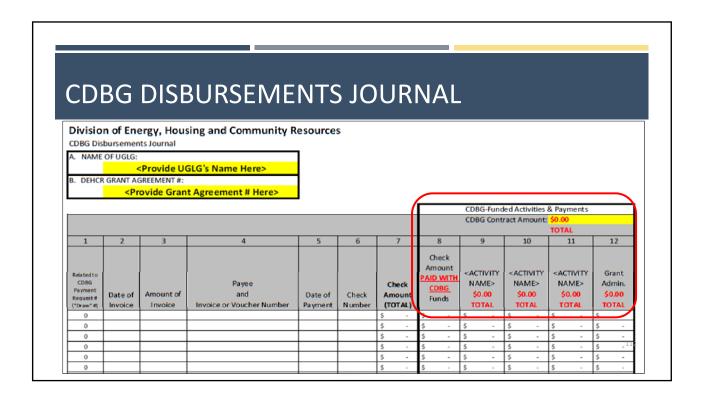
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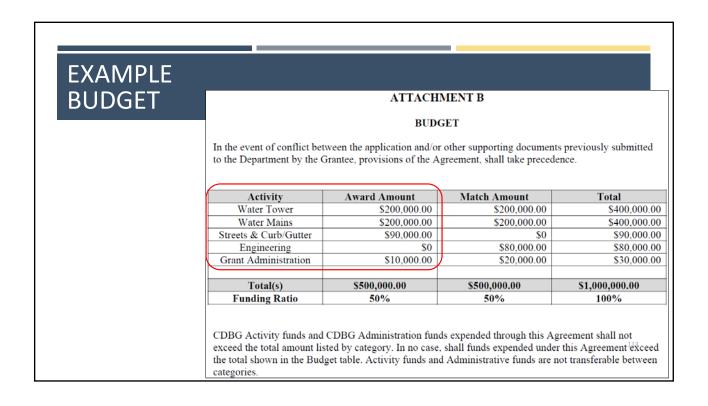


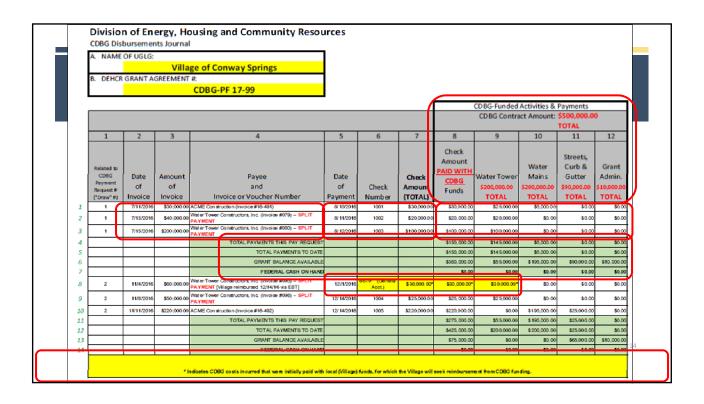


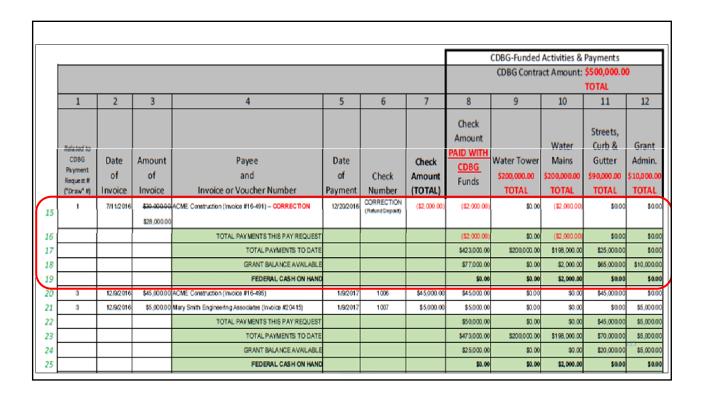


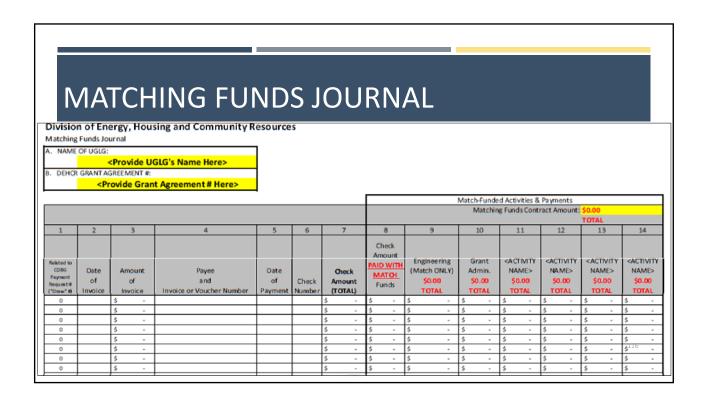


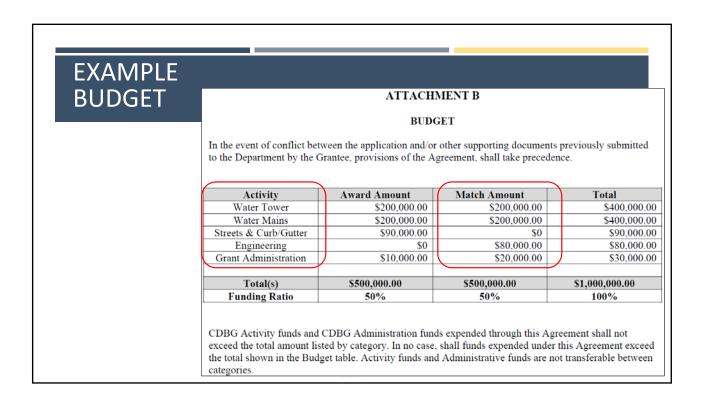


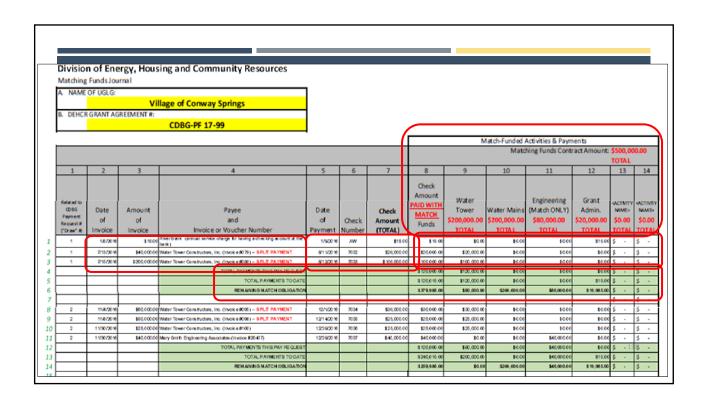


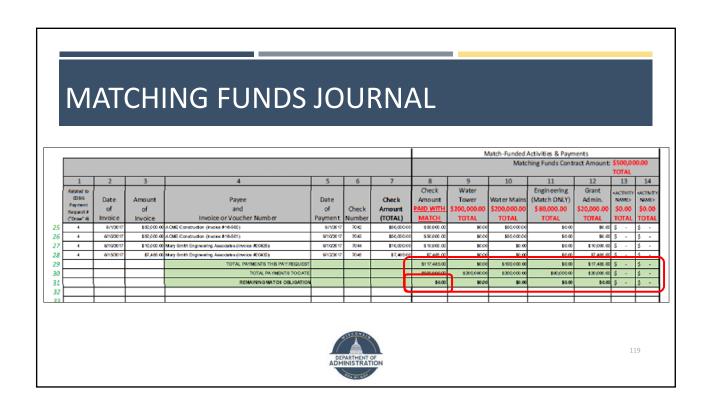


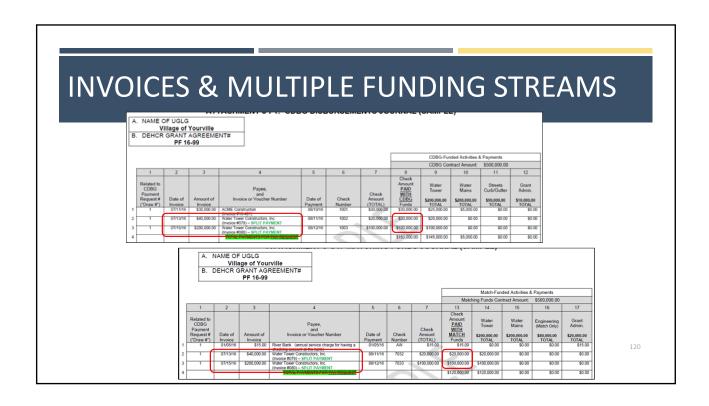


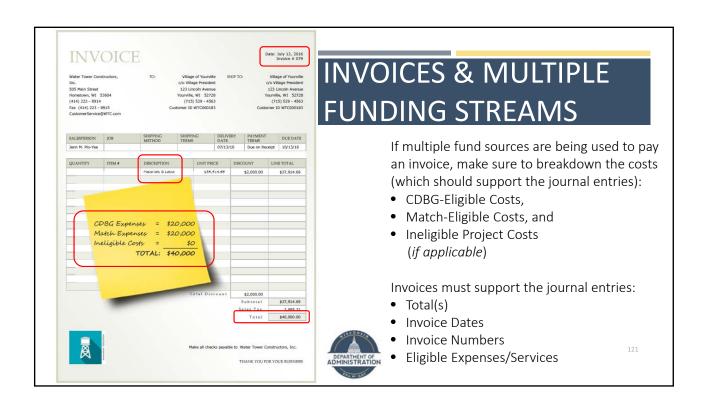














Email: DOACDBG@Wisconsin.gov



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CHAPTER 11: ANNUAL SINGLE AUDIT

DEHCR - BUREAU OF COMMUNITY DEVELOPMENT



OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE:
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT
REQUIREMENTS FOR FEDERAL AWARDS [2 CFR 200]

Who: Any UGLG to which a federal grant is awarded.

- The UGLG is responsible for submission of its Single Audit Statement (and Report if required) to DOA whether or not the UGLG has subgranted the award to another governmental unit
- Sub-grantee may also be subject to Single Audit requirements



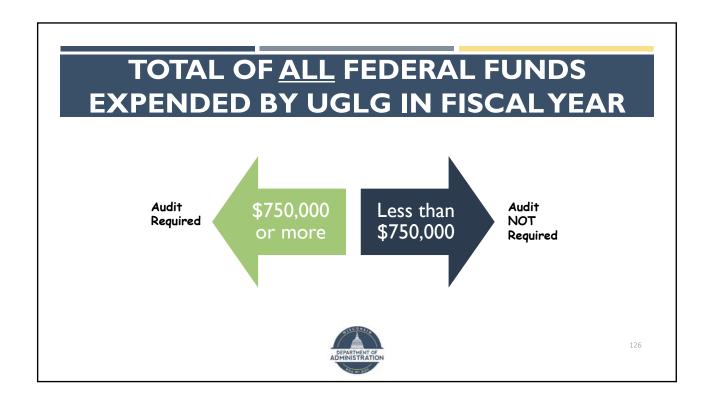
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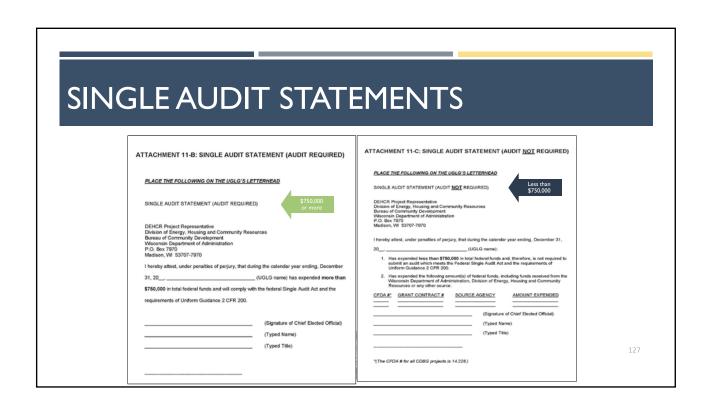
FEDERAL LAW REQUIRES THAT UGLGS WITH

- \$750,000 or greater in federal expenditures
 - Non-Federal entities that expend a total amount of federal awards of \$750,000 or greater whether received directly from federal awarding agencies or indirectly from pass through entities in any fiscal year <u>must</u> have a single audit
- Less than \$750,000 in federal expenditures
 - Non-Federal entities that expend a total amount of federal awards of less than \$750,000 whether received directly from federal awarding agencies or indirectly from pass through entities in any fiscal year are exempt for such fiscal year from compliance with the audit requirements of 2 CFR 200



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EXAMPLE OF SINGLE AUDIT STATEMENT (AUDIT NOT REQUIRED)

Statement must:

- Be placed on UGLG's letterhead
- Be signed by UGLG's CEO
- List all federal funds expended during the calendar year

DEHCR Project Representative Wisconsin Department of Administration Division of Energy, Housing and Community Resources Bureau of Community Development, 6th Floor P.O. Box 7970 Madison, WI 53707-7970					
I hereby attest, under penalties of perjury, that during the calendar year ending, December 31,					
2018, the Village of Lebanon:					
 Has expended less than \$750,000 in total federal funds and, therefore, is not required to submit an audit which meets the Federal Single Audit Act and the requirements of Uniform Guidance 2 CFR 200. 					
Has expended the following amount(s) of federal funds, including funds received from the Wisconsin Department of Administration, Division of Energy, Housing and Community Resources or any other source.					
CEDA #* GRANT CONTRACT # SOURCE AGENCY CDBG PF AMOUNT EXPENDED 14 228 CDBG PF 17-57 CDBG PF \$150,000 14 289 CDBG Housing 17-48 CDBG Housing PF \$75,000 66 489 DNR CDBG CWF \$50,000 09 458 DNR CDBG CWF \$50,000					
Sam Winchester (Signature of Chief Elected Official)					
Sam Winchester (Typed Name)					
President, Village of Lebanon (Typed Title)					
*(The CFDA # for all CDBG projects is 14.228.)					

SINGLE AUDIT DOCUMENT SUBMISSION

- Annual Single Audit Statement (All UGLGs)
 - Due January 15th
 - Send to assigned DEHCR Project Representative
- Annual Single Audit Report (UGLGs Expending >\$750,000)
 - Due September 25th, three (3) months from end of state fiscal year
 - Send full report to DOA Chief Accountant
 - Send management letter to assigned DEHCR Project Representative

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HELPFUL WEBSITES

- Uniform Guidance 2 CFR Subpart F

 https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf
- Uniform Guidance 2 CFR 200 Compliance Supplement (Compliance Supplement)

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/assets/OMB/circulars/a133 compliance/2016/2016 compliance supplement.pdf

Single State Audit Guidelines

http://doa.wi.gov/Divisions/Budget-and-Finance/Financial-Reporting/State-Single-Audit-Guidelines

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QUESTIONS?

Email: DOACDBG@Wisconsin.gov



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