



Personnel Costs | Supporting Document Checklist

1

Employee Timesheets

Frequency: Every Financial Report

Timesheets must be submitted for each employee that worked on a CDBG-DR/MIT project or activity.

<input checked="" type="checkbox"/>	Required Contents	Purpose
	Specify the period (date range) of the pay period, and must correspond with the employee's paycheck for that pay period	To establish the pay period date range that corresponds with the employee's total cost for that period
	Reflect all hours worked during the pay period, regardless of funding source	To account for all hours the employee worked during the pay period
	Reflect all paid leave hours used during the pay period	To account for all hours attributable to the staff costs incurred during the pay period
	Identify the number of hours and percentage of total hours worked for each project / activity by funding source	To account for each hour, or fraction thereof, attributable to the individual projects or activities by funding source
	Be signed and dated by the employee and supervisor or otherwise authorized electronically	To demonstrate the employee and their immediate supervisor certified the timesheets are accurate and complete

Attachment: *Example Employee Timesheet*



Personnel Costs | Supporting Document Checklist

2

Documentation of Cost Incurred or Paid

Frequency: Every Financial Report

The Payroll Report Form must be submitted for each employee that worked on a CDBG-DR/MIT project or activity.

<input checked="" type="checkbox"/>	Required Contents	Purpose
	Payroll Report Form for each employee indicating their total cost (wages and benefits) for each pay period paid during the reporting period, multiplied by the proportion of hours worked on the CDBG-DR/MIT project or activity	To demonstrate the allocability of direct personnel costs to the CDBG-DR/MIT project or activity

Attachment: Required Payroll Report Form

Definitions of Types of Costs

Category	Description
Personnel §200.430 and §200.431	Personnel costs (salary including fringe benefits) of employees implementing and administering CDBG-DR/MIT program.



Non-Personnel Costs | Supporting Document Checklist

Non-Personnel costs include project hard and soft costs, consultants, supplies, materials, equipment and other operating costs such as rent and utilities.

1 Procurement Certification Statement

Frequency: Once, or as updated

For each procured good or service, a Procurement Certification must be submitted, including the resulting contract or purchase order number associated with the procurement and purchase.

<input checked="" type="checkbox"/>	Required Contents	Purpose
<input type="checkbox"/>	Procurement Certification Statement	To certify that the goods or services were procured in accordance with 2 CFR 200 and state and local procurement policies

Attachment: Required Procurement Certification Statement

2 Invoice or Receipt

Frequency: Every Financial Report

Invoices and/or receipts must clearly show the costs incurred for the CDBG-DR/MIT project.

<input checked="" type="checkbox"/>	Required Contents	Purpose
<input type="checkbox"/>	Identify the date of purchase or period of performance of services	To establish if the goods or services were purchased within the period of the Standard Agreement with HCD; and the contract period between the subrecipient and the vendor
<input type="checkbox"/>	Itemize the goods or services purchased (quantity and amount). Please see the CDBG-DR Management Memo #23-01 for further clarification on submittal and retention requirements for Time and Material Contracts.	To identify the cost per unit (e.g., goods purchases, hours worked, etc.)
<input type="checkbox"/>	Reflect the total cost net applicable credits or discounts	To identify how the sum of costs per unit equals the amount requested for payment, less any deductions, discounts, or credits



Non-Personnel Costs | Supporting Document Checklist

3

Construction, Acquisition and Related Costs

Frequency: Every Financial Report

The following documents must also be submitted for costs listed in the table below. All costs in this category should be reported in Grants Network as Activity Costs. Subrecipients must enter a separate line item on the Financial Report Workbook Expenditure Tab for each applicable invoice/receipt listed below.

☑	Eligible Costs	Supporting Documentation
	Land or Building Acquisition and related soft costs	<ul style="list-style-type: none"> – Survey – Appraisal – Title recording – Settlement statement supporting closing costs – Executed sale, lease, or donation land purchase agreement** – Executed purchase agreement for existing multifamily property**
	Architecture & Engineering	<ul style="list-style-type: none"> – Vendor invoices – Pages from report or deliverable – Professional Service Contract for A&E design**
	Permitting fees (including impact fees)	<ul style="list-style-type: none"> – Invoice or Bill from Entitlement invoice/bill – Issued permit
	Mobilization, site prep, and clean-up	<ul style="list-style-type: none"> – Vendor invoices – Progress photos – Narrative reports
	Construction	<ul style="list-style-type: none"> – Developer Cover Letter for Request of Funds to Subrecipient – Construction Pay Application (AIA Form G702 or similar) with signed approval by engineer or architect. (If applicable, the approved Change Order) – Construction Schedule of Values (AIA Form G703 or similar) – Inspection Report (as performed by Subrecipient or Lender) – Construction contract and Change Orders ** – Lien Waiver Affidavit (Signed by Contractor) **
	Construction Retention	<ul style="list-style-type: none"> – Certificate of Construction (Substantial) Completion submitted by Engineer/Architect – Certificate of Completion/Occupancy from Local Permitting Authority



Supporting Documents Reference Guide CDBG-DR/MIT Grants Network Financial Report

<input checked="" type="checkbox"/>	Eligible Costs	Supporting Documentation
		<ul style="list-style-type: none"> – Final Wage Compliance Report – Audited Cost Certification
	Developer Fees	– Developer invoice, concurrence with milestones
	Pre-approved Professional Services	<ul style="list-style-type: none"> – Vendor invoices – Additional documents as determined by HCD

**Supporting documentation is required at the subrecipient level to be reviewed and approved prior to requesting funds to pay or reimburse payment for the contract. At this time, HCD does not require contracts to be submitted with the Funds Request for construction costs.

4 Proof of Cost Incurred or Paid

Frequency: Every Financial Report

Copies of each internally processed invoice package must be submitted for each cost.

<input checked="" type="checkbox"/>	Required Contents	Purpose
	Copy of internally processed invoice package marked with local approvals (e.g., signatures) compliant with local payment processing requirements	To demonstrate that the requested payment was first processed and approved for payment locally

Definitions of Types of Costs

Category	Description
Supplies and Materials §200.453	Assets acquired with CDBG-DR/MIT funds with a per-unit cost of less than \$5,000.
Equipment §200.439	Assets acquired with CDBG-DR/MIT funds that have a useful life of at least one year and a per-unit cost of \$5,000 or more.
Operating Expenses §200.465	Rent, utility, and insurance costs for facilities being used to carry out eligible CDBG-DR/MIT program activities.
Professional Services §200.459	Services rendered by a consultant or contractor that specializes in a trade necessary to implement the CDBG-DR/MIT activity.
Capital §200.439	Expenditures to acquire, renovate, convert, rehabilitate, lease existing Real property to carry out eligible CDBG-DR/MIT activities.



Indirect Costs | Supporting Document Checklist

1

Indirect Cost Method and Rate

Frequency: Annually

If indirect costs will be charged to the CDBG-DR/MIT project, an Indirect Cost Rate Proposal or Cost Allocation Plan and Negotiated Indirect Cost Rate Agreement (NICRA) must be submitted to HCD for review and acceptance. Skip this step if using the 10% De Minimis Indirect Cost Method.

<input checked="" type="checkbox"/>	Required Contents	Purpose
	Indirect Cost Rate Proposal or Cost Allocation Plan	To demonstrate an indirect cost rate was determined in accordance with 2 CFR 200; and to determine the Modified Total Direct Costs (MTDCs) subject to the indirect cost rate.
	Negotiated Indirect Cost Rate Agreement signed by HHS (or Cognizant Agency)	To determine the indirect cost rate is approved by HHS/Cognizant Agency for use on federal awards, and the period the rate is effective.

2

Indirect Costs

Frequency: Every Financial Report

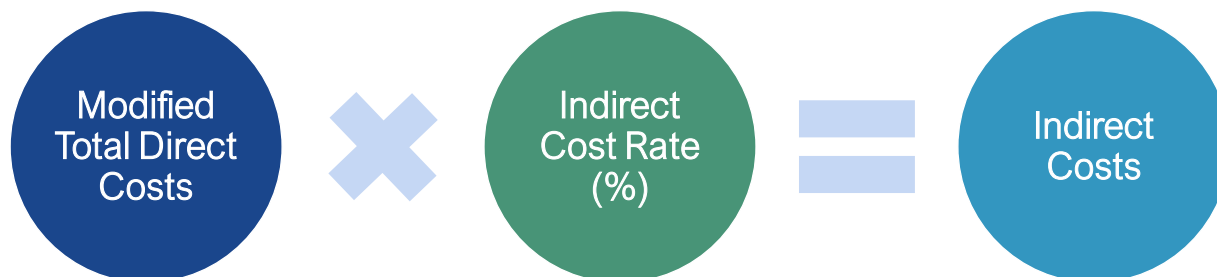
Once the documents in the first step are reviewed and accepted by HCD (initially, and annually thereafter), or if using the 10% De Minimis Indirect Cost Method, no additional documentation is necessary to justify indirect costs.

<input checked="" type="checkbox"/>	Required Contents	Purpose
	Separate Indirect Cost line item on Financial Report Workbook	To differentiate between direct and indirect costs charged to the CDBG-DR/MIT project.



Indirect Costs | Supporting Document Checklist

How to Calculate Indirect Costs



Definitions of Types of Costs

Category	Description
Direct Costs §200.413	Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.
Indirect Costs §200.1	Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
Modified Total Direct Costs (MTDCs) §200.1	All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.
Indirect Cost Rate Proposal §200.1	Indirect cost rate proposal means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in 2 CFR 200 Appendices III through VII and Appendix IX



Subrecipient Financial Report Submission Checklist

1 Financial Report Workbook Coversheet and Expenditure Form

Frequency: Every Financial Report

A single Financial Report Workbook Coversheet and Expenditure Form must be submitted representing all costs submitted on the Financial Report.

<input checked="" type="checkbox"/>	Required Contents	Purpose
	Financial Report Workbook Coversheet and Expenditure Form	To summarize the costs requested for payment that sum to the total amount request to cross reference with supporting documentation and amounts entered into Grant Network, and to certify the amounts requested for payment comply with 2 CFR 200 and other requirements

Attachment: Required Financial Report Workbook Cover Sheet and Expenditure Form

2 QA/QC Checklist

Frequency: Every Financial Report (for use by Subrecipient)

<input checked="" type="checkbox"/>	Checklist Item
	Acceptable and legible supporting documentation for each type of cost incurred, with clear indications that costs were approved for payment in accordance with local payment procedures
	Acceptable and legible supporting documentation for each type of cost incurred by sub-tier subrecipients, with clear indications that costs were approved for payment in accordance with local subrecipient and sub-tier subrecipient payment procedures
	The amounts on the supporting documentation sum to the amount requested for reimbursement on the required Financial Report Cover Sheet and Expenditure Form and on the Grants Network Financial Report
	Costs are eligible, do not exceed budgets by type of cost, have not already been reimbursed by CDBG-DR or another funding source, and were incurred during the period of performance
	Costs otherwise treated as indirect costs are not being treated as direct costs
	The indirect cost rate (if applicable) was properly applied only to Modified Total Direct Costs (MTDCs)