

VIII. Records Management

HCD, subgrantees, partners, and the USFS must maintain records in accordance with 24 CFR part 570.490 to document compliance with program requirements, and federal, state and local regulations, and to facilitate an audit review by HUD. The filing system established to keep records should be easy to use while providing an historical account of activities for examination and review by local staff, state, and federal auditors. The records are subject to the Freedom of Information Act (FOIA) and California Access to Public Records.

For each CDBG NDR award, grant file records must contain reliable and up to date information. At a minimum, the records must include:

- 1) A copy of the grant received.
- 2) Full description of activities undertaken.
- 3) Documentation that all activities undertaken meet at least one of the CDBG National Objectives.
- 4) Documentation of determination of eligibility of all activities.
- 5) Documentation of acquisition, improvement, use or disposition of real property acquired or improved with CDBG NDR assistance.
- 6) Documentation of compliance with all applicable HUD cross cutting requirements (such as Davis Bacon and Section 3).
- 7) Financial records as required by 2 CFR part 200, 24 CFR part 570.502, and state requirements, which include:
 - a) Current authorizations and obligations of CDBG NDR funds
 - b) Unobligated balances (funds remaining available for distribution)
 - c) Assets and liabilities
 - d) Program income, if any
 - e) Actual outlays or expenditures, with a breakdown of the grant program the funds were derived from
 - f) Clear evidence indicating the use of program funds belongs to the eligible activity
 - g) Evidence each expenditure is necessary, reasonable and directly related to the project

In addition to the above requirements, construction project files must also contain the following information:

- 1) Full description of the project
- 2) Project budget
- 3) Evidence of obligated and committed funding (all sources)

- 4) Work specifications
- 5) Bid documents, including the request for proposal, cost estimate, evidence of contractor solicitation, scoring, evidence of non-debarment, and selection
- 6) Davis Bacon prevailing wage determination
- 7) State prevailing wage determination
- 8) Weekly HUD payroll certifications and back up documentation
- 9) Payroll deduction authorizations
- 10) Employee field interviews
- 11) Progress and final inspections, including documentation of the subgrantee's periodic on-site inspections and final inspection
- 12) Change orders, including evidence of necessity and approval prior to work being completed
- 13) All correspondence related to construction
- 14) Progress and final disbursements records. Files must contain documentation that payments were paid only for completed work, and data in the project file must agree with the project financial records.

A detailed list of programmatic documentation needed for the successful monitoring of each CDBG NDR project is listed in the Section XVI, "Monitoring and Compliance."

A. Protection of Personal Identifiable Information

In the normal course of grant administration, HCD and its subgrantees may receive personally identifiable information (PII). PII is information that can be used to distinguish or trace an individual's identities. Examples of PII include names, addresses, income verification documents, disability status, employment status, etc. which can be linked or is linkable to a specific applicant and/or beneficiary of CDBG NDR programs. HCD does not anticipate receiving any PII for individuals during CDBG NDR administration. However, there may be PII collected for business owners and representatives participating in the NDR projects. HCD and its subgrantees take the following steps to protect personally identifiable information:

- Limit collection of PII.
- Maintain hard copies of PII records in locked filing cabinets.

Filing cabinet keys are shared with HCD staff only. HCD releases records containing PII upon request, after verification, by the following entities:

- Federal and state auditors.
- Other federal or state agencies for duplication of benefits analyses.

If records containing PII are subject to FOIA or California Access to Public Records requests, such records shall only be released in accordance with state and federal

law. PII records will only be stored so long as necessary, in accordance with record retention requirements at 2 CFR part 200.333 and 24 CFR part 570.502(a)(7).

B. File Security

Active HCD records are maintained in limited access areas. Employee keycard access is required to enter office areas containing paper records. Electronic records are stored on restricted access shared drives supported by state computer servers. Partners, and subgrantees are responsible for securing their records for storage and limited access.

C. Access to Records

Representatives of HUD, the Office of the Inspectors General (OIG), the Comptroller General of the United States, or any of their authorized representatives have the right of access to any documents, papers, or other records pertinent to a CDBG NDR award in order to complete audits, examinations, excerpts, and transcripts. This right also includes timely and reasonable access to HCD's personnel for the purpose of interview and discussion related to such documents.

HCD shall also provide citizens access to records regarding the use of CDBG NDR funds on HCD's CDBG NDR website. HCD protects PII in the public access of CDBG NDR records, consistent with State of California Civil Code section 1798 guaranteeing the privacy of California citizens and providing limits on the collection, management, and dissemination of personal information by state agencies.

D. Retention Policy

HCD maintains program and project related documents, including financial records, supporting documents, statistical records, and other pertinent records. These records are maintained for a minimum period of five years from HCD's closeout of the HUD grant. Exceptions include, but are not limited to:

- For any litigation, claim, or audit, is started before the expiration of the five-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- When HCD is notified by HUD, or another federal agency, that the record retention period requirement has been extended.
- Records for real property and equipment acquired with CDBG NDR funds must be retained for three years after disposition.
- When records are transferred or maintained by HUD, the retention requirement will no longer apply to HCD.

HCD subgrantees, partners, and contractors must maintain accounting records that adequately identify the sources and application of CDBG NDR funds. For each CDBG NDR funding award, each organization must have the following:

- Chart of accounts which includes general assets, liabilities, expenses and revenues.

- Cash receipts and disbursement journal.
- Payroll journal.
- General ledger.