



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

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CDBG Management Memo #19-01

Date: December 16, 2019

TO: Community Development Block Grant (CDBG) Non-Entitlement Jurisdictions

SUBJECT: Documentation Requirements for Funds Requests

Purpose

The California Department of Housing and Community Development (Department) will begin requiring supporting documentation for all CDBG Contract Awards Funds Requests, including General Administration, and on all expenditures of CDBG Program Income also including General Administration.

Background & Regulatory Requirements

The U.S. Department of Housing and Urban Development's (HUD) recordkeeping requirements for CDBG grant awards for funds administered by the Department are contained in 24 CFR Part 570. Specifically, 24 CFR 570.490 (a) (1) states that "The State shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the state's administration of CDBG funds under Section 570.493." The state is required to have fiscal controls such that it can ensure the funds are used in "compliance with all applicable statutory and regulatory provisions," "only spent for reasonable and necessary costs," and "not used for general expenses required to carry out other responsibilities of state and local governments" as described in Section 570.489 (d).

Timely review of supporting documentation of Funds Requests will allow the Department to determine that the grantee is meeting all program requirements and will prevent situations in which a grantee may be required to re-pay funds to the Department for funds spent on ineligible costs.

The Funds Request form will continue to be utilized to submit Funds Requests and will document that the grantee has approved the draw. All forms and documentation will be submitted electronically to Danielle.Burgin@hcd.ca.gov with a copy to your assigned CDBG Program Representative. **PAPER SUBMISSIONS ARE NO LONGER REQUIRED.**

Process

Open Grants Activities:

Please submit a complete Funds Request form for each activity for which you are requesting funds. Include a copy of all invoices or statements or other documentation that supports the amount requested. If the amount requested only includes a portion of an invoice or statement, please identify on the invoice or statement what costs are being requested for reimbursement. Use the “Notes” section on the funds request form to list the invoices applicable to each specific Funds Request. Include the signed Funds Request form and backup documentation via email. No paper submissions are required.

Open Grants General Administration:

Please submit a complete Funds Request form for each request for General Administration funds. Include a copy of all invoices or statements or other documentation that supports the amount requested. If the amount requested only includes a portion of an invoice or statement, please identify on the invoice or statement what costs are being requested for reimbursement. Use the “Summary of Expenditures” section on the Funds Request form to list the invoices applicable to each specific Funds Request. Include the signed Funds Request Form and backup documentation via email. No paper submissions are required.

Program Income:

Please submit the same documentation as identified in the Open Grants processes above. Indicate in the Notes field on the Activity Funds Request and the General Administration Funds Request that the request is for Program Income. Include the signed Funds Request Form and backup documentation via email. No paper submissions are required.

Open Grants with Program Income:

Please submit the same documentation as identified in the Open Grants processes above. Indicate in the “Notes” field on the Activity Funds Request or the “Summary of Expenditures” fields for the General Administration Funds Request, which costs are being requested from the Open Grant, and which costs were expenses from Program Income. You may choose to submit a separate list of invoices and indicate which were paid from Program Income and which are to be reimbursed through the Open Grant if the “Notes” section is too limited.

Examples of Documentation

Housing Programs – jurisdictions may submit Loan Agreements, Settlement Statements, or other related documentation to support the Funds Request.

Public Services – copies of agreements with providers and invoicing as applicable to the contract.

Projects involving construction – copy of the Bid Schedule along with contractor’s invoice.

Documentation for Consulting Services – copy of the contract or agreement along with invoices

General Administration – Description of each personnel expenditure, including name, title, time period, activities performed and total amount.

Frequency

Funds requests must be submitted at least quarterly. Jurisdictions are encouraged to submit requests more frequently. If a jurisdiction with an open grant or a PI funded activity does not have eligible costs during the quarter, the jurisdiction must inform their CDBG Program Representative about the status of the grant or activity and why no eligible costs have been incurred.

The quarterly Funds Requests will be due on the 15th of the month following the close of the quarter.

Due dates are as follows:

Quarter	Due Date
Quarter 1	October 15
Quarter 2	January 15
Quarter 3	April 15
Quarter 4	July 15

If you have any questions, please contact your CDBG Program Representative. A map of Representative's areas is located at: [Representative Areas Map](#).

Effective Date

This memo is effective immediately and supersedes previous Management Memos and guidance related to Funds Requests. This Management Memo applies to all active grants, program income, past year grants that are still open and are still drawing funds, new grant awards that have not yet been put into a Standard Agreement, and future grant awards.

Questions

If you have questions about the information in this Management Memo, or any other questions regarding the CDBG Program, please contact Janice Waddell, at janice.waddell@hcd.ca.gov or 916-263-1466.