

ii. Grantee has designed a program that implements three or fewer types of activities, AND requires a highly complex application intake system that may strain resources.	Medium	6		
iii. Grantee has designed a program that appears to suit the level of staff capacity and has an application intake system that is manageable.	Low	0		
<u>D. Grantee Open or Stalled Activities</u>				
Criteria: Risk is based on the number of or percentage of grantee's open activities that appear in Standard Agreements in CAPES (BOS Contract Activity report.)				
i. Grantee has 6 or more activities OR at least 10% of its open activities appear on the Contract Activities report. (Score based on whichever variable triggered first.)	High	4		
ii. Grantee has between 1 and 5 activities OR at least 5% of its open activities appear on the Contract Activity report. (Score based on whichever variable triggered first.)	Medium	2		
iii. Grantee has no activities that appear on the Contract Activity report with funds remaining.	Low	0		
<u>E. Grantee Findings and Sanctions (Monitoring and Single Audit Reports)</u>				
Criteria: Risk is based on single audits and the monitoring of the grantee's program by HCD to ensure compliance with program requirements within the last three years; the grantee's past performance regarding the number of open, overdue, and unresolved findings; OR sanctions have been imposed; OR grantee has not been monitored within the last three years.				
i. Within the last three years, the grantee has received two or more findings that are still open, overdue and unresolved; OR sanctions have been imposed on the grantee; OR grantee has not been monitored within the last three years.	High	10		
ii. Within the last three years, the grantee has received one finding that is still open, overdue and unresolved; OR has had imposed sanctions removed from the grantee.	Medium	6		
iii. None of the above conditions exist.	Low	0		

F. Grantee's Management of Sub-Recipients or Administrative Contractors			
Criteria: Risk is based on the grantee's management of its sub-recipients or Adm. Contractors.			
i. Grantee has demonstrated a lack of management over its sub-recipients or admin. Contractor(s). This has been demonstrated by, including but not limited to, the lack of a program monitoring schedule, late or inaccurate reporting on activities and/or projects, missing or inaccurate accomplishments being reported, its recordkeeping system, and/or HCD management monitoring findings within the last 3 years, etc.	High	8	
ii. Grantee uses sub-recipients and admin. contractors to help administer the program.	Medium	5	
iii. None of the above conditions exists (grantee staff manage the program activities).	Low	0	
G. Grantee Cross-Cutting Requirement Compliance			
Criteria: Risk is based on whether the grantee has received a monitoring finding within the last three program years regarding the CDBG cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO, etc.).			
i. Within the last 3 program years, the grantee has received one or more findings on any of the CDBG cross-cutting programmatic requirements.	High	2	
ii. None of the criteria in sub-factor (i) applies.	Low	0	
Subtotal for Grant Management Assessment (Max. 52 pts.)	SUBTOTAL:	0	

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Section 108 Loan Guarantees, Brownfields Economic Development Initiative (BEDI) grants, Economic Development Initiative (EDI) grants, grantee's financial records, timeliness standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports. The Evaluator should award point values to sub-factors A through G. Choose only one risk score for each sub-factor from the point values listed below.

<u>FACTOR 2 - FINANCIAL MANAGEMENT</u>	Risk Category	Risk Score	Evaluator's Rating	Evaluator's Comments
<u>A. Grantee Financial Staff Capacity</u> Criteria: Risk is based on current financial staff capacity of the grantee regarding its ability to ensure financial management practices that are compliant with the CDBG regulations and applicable OMB circulars.				
i. During the last 3 program years, as evidenced though information available (e.g., single audits, previous HCD monitorings, grantee correspondence with HCD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the CDBG program AND has had one or more violations or deficiencies of the applicable regulations or OMB circulars.	High	8		
ii. During the last 3 program years, as evidenced as described in sub-factor (i), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the CDBG program AND has not had any violations or deficiencies of the applicable regulations or OMB circulars.	Medium	4		
iii. During the last 3 program years, financial management staff has been able to demonstrate sufficient knowledge or skill sets regarding the CDBG program AND has had no violations or deficiencies in the aforementioned areas.	Low	0		
<u>B. Monitoring Finding Resulting in Repayment or Grant Reduction</u> Criteria: Risk is based on all findings within the last 3 program years, where the grantee has been required to make a repayment, either for an individual contract or PI within the last 3 program years.				
i. Within the last 3 program years, grantee has had to repay programmatic funds; OR sanctions have been applied that result in the suspension of activities by the grantee.	High	12		
ii. Within the last 3 program years, grantee has had to repay programmatic funds or received a grant reduction in an amount less than \$250,000; OR less than 25% of a year's grant allocation, either for an individual program year or summation of the last three program years.	Medium	6		
iii. Grantee has not had to repay programmatic funds or has not had a grant reduction within the last 3 program years.	Low	0		

<p><u>C. CDBG Grant Amount</u> Criteria: Risk is based on the absolute amount of the grantee's CDBG grant. For the most recent program year, grantee was awarded CDBG funds in the amount of:</p>				
i. \$3 million or greater.	High	12		
ii. At least \$1.5 million but less than \$3 million.	Medium	8		
iii. Less than \$1.5 million.	Low	0		
<p><u>D. Grantee Program Income</u> Criteria: Gross program income received by the grantee, or sub-recipient(s) generated by the use of CDBG funds for the most recently completed program year.</p>				
i. The grantee reported it received \$250,000 or greater in the last program year.	High	4		
ii. The grantee reported it received less than \$250,000 in the past program year.	Medium	2		
iii. The grantee reported it did not receive any program income, OR reported prior to the last year it would receive less than \$35K in the past program year.	Low	0		
<p><u>E. Grantee Single Audits (formerly A-133)</u> Criteria: Assessment is based on the timely submission of the single audit required by the expenditure in excess of \$750,000 annually in federal funding, including the CDBG program. Special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the grantee has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits are due within 9 months from the end of the grantee's program year. Check the State Controller's Office website at https://www.sco.ca.gov/aud_single_audits.html</p>				
i. During the last 3 program years, grantee has not submitted the required single audits; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices.	High	4		
ii. Grantee is exempt (and submitted Exemption to SCO).	Medium	2		
iii. None of the criteria in sub-factor (i or ii) applies.	Low	0		

G. Grantee's Portfolio includes RLF(s) Activities			
Criteria: Risk is based on the grantee's portfolio containing one or more Revolving Loan Funds Activities.			
i. Grantee's portfolio includes RLF(s) activities within the past three program years.	High	2	
ii. None of the criteria in this sub-factor (i) applies.	Low	0	
Subtotal for Financial Management Assessment (Max. 42 pts.)		SUBTOTAL:	0

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HCD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, citizen complaints, press information, and/or loss of community support or failure to reply or submit reports.

The Evaluator should award a point value to sub-factors A and B. Choose only one risk score for this sub-factor from the point values listed below.

A. Grantee Citizen Complaints or Negative Media Exposure			
Criteria: Risk is based on citizen complaints received or negative media exposure to its program.			
i. Citizen complaints have been received within the last 3 program years through such sources as citizen letters, phone calls, newspaper articles, internet postings, emails, etc., and grantee was found to be in violation of CDBG requirements.	High	2	
ii. Citizen complaints have been received within the last 3 program years through citizen letters, phone calls, newspaper articles, internet postings, emails, etc., and the grantee was not found in violation of CDBG requirements; OR no citizen complaints have been received during the most recently completed program year as described in (i).	Low	0	

B Grantee Responsiveness			
Criteria: Risk is based upon grantee's timely response to citizen complaints received.			
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes within the last 3 program years.	High	1	
ii. Grantee has responded to complaints and/or citizen inquiries within the prescribed timeframes; OR has not received any complaints forwarded to HCD in the last 3 yrs.	Low	0	
Subtotal for Services and Satisfaction (Max. 3 points)		SUBTOTAL:	0

Risk Analysis - Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management	52	0
2. Financial Management	42	0
3. Services & Satisfaction	3	0
Factor Total	97	0

HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

Name of Grantee: _____

Year of Review: _____

Name of HCD Evaluator: _____

Date: _____

The Evaluator will determine the appropriate risk level based on the definition provided and assign a numeric value as indicated. The Evaluator should provide notes in the comment box when any sub-factor is rated as high risk. The notes will provide a description of the high risk condition that can be clearly understood by an independent reviewer.

FACTOR 1 – GRANT MANAGEMENT AND PERFORMANCE

Factor Definition: Extent to which the Grantee has the capacity to carry out the CDBG program according to established requirements.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to: IDIS information, GMS information, contract milestones, funds requests, Single Audit reports, labor compliance reports, and related reporting mechanisms and systems.

FACTOR 1 - GRANT MANAGEMENT AND PERFORMANCE	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
1.A. Reporting				
Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained. Reports include, but are not limited to: reporting Program Income, reporting of beneficiaries in GMS, reporting of milestone compliance in GMS, semi-annual Davis Bacon reports, Section 3 reports.				
At least three late or incomplete reports within the last three years.	High	10		
One or two late or incomplete reports within the last three years.	Medium	6		
All reports timely and complete in the last three years.	Low	0		
1.B. Performance				
Criteria: Risk is based on the Grantee's compliance with timelines in Standard Agreement(s) or Program Income Waiver(s).				
In the past three years, Grantee received an extension of the expenditure deadline for two or more Activities.	High	12		
In the past three years, Grantee received an extension of the expenditure deadline for one Activity.	Medium	6		
In the past three years, Grantee met the expenditure deadline for all Activities undertaken within the original term of the Standard Agreement or Program Income	Low	0		
1.C. Audit Findings and Sanctions				
Criteria: Risk is based on Single Audits any sanctions that may have been imposed.				
Within the last three years, the Grantee has received one or more Single Audit Finding(s) that are still open, overdue or unresolved; OR sanctions have been imposed	High	12		
Within the last three years, the Grantee has received one or more Single Audit or Monitoring Finding(s) that have been cleared.	Medium	6		
None of the above conditions exist.	Low	0		
Subtotal for Grant Management and Performance Assessment (Max. 34 pts.)	SUBTOTAL:		0	

FACTOR 2 – PROGRAM COMPLEXITY

Factor Definition: The number and risk level of activities the Grantee administers including open grant, program income and revolving loan fund activities.

Rating Considerations: The basis for the Evaluator’s rating in this factor may be derived from: IDIS information, GMS information, standard

HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

FACTOR 2 - PROGRAM COMPLEXITY	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
2.A. Complexity of Activity Types Criteria: Risk is based on the complexity of the activities the Grantee is undertaking. "Complex Activities" are defined as: Public Infrastructure (including in support of housing), Public Facilities, Multifamily Housing Rehab or Economic Development Business Assistance (OTC or Enterprise Fund).				
Grantee is administering three or more Complex Activities	High	12		
Grantee is administering one or two Complex Activities.	Medium	8		
Grantee is not administering Complex Activities.	Low	0		
2.B. Number of Activities Criteria: Risk is based on the number of different types of open grant, Program Income and Revolving Loan Fund activities. Activity Types include, but are not limited to: Public Improvements, Public Facilities, Multifamily Housing, ED Business Assistance (OTC and Enterprise Fund count as one Activity), ED Microenterprise, Public Services, Code Enforcement, Single Family Housing Rehab, Homebuyer Assistance.				
Grantee administers 5 or more different Activity Types.	High	12		
Grantee administers between 3 and 5 Activity Types.	Medium	8		
Grantee administers 1 or 2 Activity Types.	Low	0		
Subtotal for Program Complexity Assessment (Max. 24 pts.)	SUBTOTAL:		0	

HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

FACTOR 3 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the Grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to: IDIS, GMS, Single Audits, Findings that require repayment or grant reduction, Program Income reports, Grantee’s financial records, compliance with expenditure and performance milestones.

FACTOR 3 - FINANCIAL MANAGEMENT	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
3.A. Timeliness of Drawdowns				
Criteria: Risk is based on meeting expenditure and drawdown milestones in the standard agreement.				
Grantee has one or more Activities that are flagged in IDIS for slow drawdowns.	High	12		
Grantee has no Activities flagged in IDIS for slow drawdowns.	Low	0		
3.B. Repayment or Grant Reduction				
Criteria: Risk is based on occurrences where the Grantee has been required to make a repayment.				
Within the last five years, Grantee has had to repay programmatic funds in an amount exceeding \$100,000.	High	10		
Within the last five years, Grantee has had to repay programmatic funds in an amount less than \$100,000.	Medium	6		
Grantee has not had to repay programmatic funds within the last five years.	Low	0		
3.C. CDBG Grant Amount				
Criteria: Risk is based on the total amount of Open CDBG grant awards the Grantee is currently administering, not counting program income.				
Grantee has \$3 million in open grants.	High	8		
Grantee has at least \$1.5 million but less than \$3 million in open grants.	Medium	4		
Grantee has less than \$1.5 million in open grants.	Low	0		
3.D. Grantee Program Income Receipts				
Criteria: Program income received by the Grantee (or Grantee's Sub-recipients) generated by the use of CDBG funds for the most recently completed program year.				
The grantee reported receipt of over \$150,000 in the last program year.	High	8		
The grantee reported receipt of over \$35,000 but no more than \$150,000 in the last program year.	Medium	4		
The grantee reported that program income receipts are anticipated to be less than \$35,000 in the current year.	Low	0		
3.E. Grantee Program Income Balance				
Criteria: Program income balance, including any Revolving Loan Funds, currently held by the Grantee (or Grantee's Sub-recipients) as of the date of the most recent Program Income Report.				
Program Income balance exceeds \$500,000.	High	8		
Program Income balance of \$200,000 to \$500,000.	Medium	4		
Program Income balance less than \$200,000	Low	0		
3.F. Procurement				
Criteria: Risk is based on the Grantee’s use of procurement to secure services, materials or construction contractors.				

HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

Grantee has entered into one or more contracts that exceed \$150,000 for open grants or active program income funded activities.	High	6		
Grantee has not entered into any contracts that exceed \$150,000 for open grants or active program income funded activities.	Low	0		
3.G. Grantee Single Audits (formerly A-133)				
Criteria: Assessment is based on the timely submission of the single audit required by the expenditure in excess of \$750,000 annually in federal funding and may be found on the State Controller's Office website at				
During the last three years, Grantee was required to, but did not submit one or more Single Audits) to the SCO; OR Grantee received one or more Finding(s) in a Single Audit that have not been cleared or were repeated in a subsequent year.	High	10		
Grantee is exempt and has submitted Exemption to SCO; OR in the past three years, Grantee submitted all Single Audits as required AND received one or more Finding(s) in a Single Audit that have been cleared and were not repeated in a subsequent year.	Medium	6		
During the last three years, Grantee has submitted Single Audits as required and has not received a Finding in a Single Audit.	Low	0		
Subtotal for Financial Management Assessment (Max. 58 pts.)	SUBTOTAL:		0	

Overall Risk Assessment - Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management and Performance	34	0
2. Program Complexity	24	0
3. Financial Management	62	0
Total Risk Score	120	0

Grantee is: **High Risk** **102-120** _____
 Medium Risk **60-101** _____
 Low Risk **0-59** _____

HCD Grant Management Representative: _____ Date: _____

HCD Grant Management Manager: _____ Date: _____

Name of Grantee: _____

Year of Review: _____

Name of HCD Evaluator: _____

Date: _____

The Evaluator will determine the appropriate risk level based on the definition provided and assign a numeric value as indicated. The Evaluator should provide notes in the comment box when any sub-factor is rated as high risk. The notes will provide a description of the high risk condition that can be clearly understood by an independent reviewer.

FACTOR 1 – GRANT MANAGEMENT AND PERFORMANCE

Factor Definition: Extent to which the Grantee has the capacity to carry out the CDBG program according to established requirements.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to: IDIS information, GMS information, contract milestones, funds requests, Single Audit reports, labor compliance reports, and related reporting mechanisms and systems.

FACTOR 1 - GRANT MANAGEMENT AND PERFORMANCE	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
1.A. Reporting Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained. Reports include, but are not limited to: reporting Program Income, reporting of beneficiaries in GMS, reporting of milestone compliance in GMS, semi-annual Davis Bacon reports,				
At least three late or incomplete reports within the last three years.	High	10		
One or two late or incomplete reports within the last three years.	Medium	6		
All reports timely and complete in the last three years.	Low	0		
1.B. Performance Criteria: Risk is based on the Grantee's compliance with timelines in Standard Agreement(s) or Program Income Waiver(s).				
In the past three years, Grantee received an extension of the expenditure deadline for two or more Activities.	High	12		
In the past three years, Grantee received an extension of the expenditure deadline for one Activity.	Medium	6		
In the past three years, Grantee met the expenditure deadline for all Activities undertaken within the original term of the Standard Agreement or Program Income	Low	0		

1.C. Findings and Sanctions Criteria: Risk is based on Single Audits, previous monitoring within the last three years; and any sanctions that may have been imposed.				
Within the last three years, the Grantee has received Single Audit or Monitoring Findings that are still open, overdue or unresolved; OR sanctions have been imposed on the Grantee.	High	10		
Within the last three years, the Grantee has received one or more Single Audit or Monitoring Finding(s) that have been cleared; OR has had imposed sanctions removed.	Medium	6		
None of the above conditions exist.	Low	0		
1.D. Monitoring History Criteria: Risk is based on previous monitoring within the last three years.				
Within the last three years, the Grantee has not been monitored; OR has been monitored and received one or more Findings that are still open, overdue or	High	10		
Within the last three years, the Grantee has been monitoring and any Findings have been cleared.	Low	0		
Subtotal for Grant Management and Performance Assessment (Max. 42 pts.)	SUBTOTAL:		0	

FACTOR 2 – PROGRAM COMPLEXITY

Factor Definition: The number and risk level of activities the Grantee administers including open grant, program income and revolving loan fund activities.

Rating Considerations: The basis for the Evaluator’s rating in this factor may be derived from: IDIS information, GMS information, standard agreements.

FACTOR 2 - PROGRAM COMPLEXITY	Risk Category	Risk Score	Evaluato Rating	Evaluator's Comments
2.A. Complexity of Activity Types				
Criteria: Risk is based on the complexity of the activities the Grantee is undertaking. "Complex Activities" are defined as: Public Infrastructure (including in support of housng), Public Facilities, Multifamily Housing Rehab or Economic Development				
Grantee is administering three or more Complex Activities	High	12		
Grantee is administering one or two Complex Activities.	Medium	8		
Grantee is not administering Complex Activities.	Low	0		
2.B. Number of Activities				
Criteria: Risk is based on the number of different types of open grant, Program Income and Revolving Loan Fund activities. Activity Types include, but are not limited to: Public Improvements, Public Facilities, Multifamily Housing, ED Business Assistance				
Grantee administers 5 or more different Activity Types.	High	12		
Grantee administers between 3 and 5 Activity Types.	Medium	8		
Grantee administers 1 or 2 Activity Types.	Low	0		
Subtotal for Program Complexity Assessment (Max. 24 pts.)	SUBTOTAL:		0	

FACTOR 3 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the Grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to: IDIS, GMS, Single Audits, Findings that require repayment or grant reduction, Program Income reports, Grantee’s financial records, compliance with expenditure and performance milestones.

FACTOR 3 - FINANCIAL MANAGEMENT	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
3.A. Timeliness of Drawdowns Criteria: Risk is based on meeting expenditure and drawdown milestones in the standard agreement.				
Grantee has one or more Activities that are flagged in IDIS for slow drawdowns.	High	12		
Grantee has no Activities flagged in IDIS for slow drawdowns.	Low	0		
3.B. Repayment or Grant Reduction Criteria: Risk is based on occurrences where the Grantee has been required to make a repayment.				
Within the last five years, Grantee has had to repay programmatic funds in an amount exceeding \$100,000.	High	10		
Within the last five years, Grantee has had to repay programmatic funds in an amount less than \$100,000.	Medium	6		
Grantee has not had to repay programmatic funds within the last five years.	Low	0		
3.C. CDBG Grant Amount Criteria: Risk is based on the total amount of Open CDBG grant awards the Grantee is currently administering, not counting program income.				
Grantee has \$3 million in open grants.	High	8		
Grantee has at least \$1.5 million but less than \$3 million in open grants.	Medium	4		
Grantee has less than \$1.5 million in open grants.	Low	0		

3.D. Grantee Program Income Receipts Criteria: Program income received by the Grantee (or Grantee's Sub-recipients) generated by the use of CDBG funds for the most recently completed program year.				
The grantee reported receipt of over \$150,000 in the last program year.	High	8		
The grantee reported receipt of over \$35,000 but no more than \$150,000 in the last program year.	Medium	4		
The grantee reported that program income receipts are anticipated to be less than \$35,000 in the current year.	Low	0		
3.E. Grantee Program Income Balance Criteria: Program income balance, including any Revolving Loan Funds, currently held by the Grantee (or Grantee's Sub-recipients) as of the date of the most recent Program Income Report.				
Program Income balance exceeds \$500,000.	High	8		
Program Income balance of \$200,000 to \$500,000.	Medium	4		
Program Income balance less than \$200,000	Low	0		
3.F. Procurement Criteria: Risk is based on the Grantee's use of procurement to secure services, materials or construction contractors				
Grantee has entered into one or more contracts that exceed \$150,000 for open grants or active program income funded activities.	High	6		
Grantee has not entered into any contracts that exceed \$150,000 for open grants or active program income funded activities.	Low	0		
3.G. Grantee Single Audits (formerly A-133) Criteria: Assessment is based on the timely submission of the single audit required by the expenditure in excess of \$750,000 annually in federal funding and may be found on the State Controller's Office website at https://www.sco.ca.gov/aud_single_audits.html				
During the last three years, Grantee was required to, but did not submit one or more Single Audits) to the SCO; OR Grantee received one or more Finding(s) in a Single Audit that have not been cleared or were repeated in a subsequent year.	High	10		
Grantee is exempt and has submitted Exemption to SCO; OR in the past three years, Grantee submitted all Single Audits as required AND received one or more Finding(s) in	Medium	6		
During the last three years, Grantee has submitted Single Audits as required and has not received a Finding in a Single Audit.	Low	0		

Subtotal for Financial Management Assessment (Max. 58 pts.)	SUBTOTAL:	0	
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Overall Risk Assessment - Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management and Performance	42	0
2. Program Complexity	24	0
3. Financial Management	62	0
Total Risk Score	128	0

Grantee is:

High Risk	109-128	<u> </u>
Medium Risk	64-108	<u> </u>
Low Risk	0-63	<u> </u>

HCD Grant Management Representative: _____ Date: _____

HCD Grant Management Manager: _____ Date: _____

Appendix A
HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

Name of Grantee: _____

Year of Review: _____

Name of HCD Evaluator: _____

Date: _____

The Evaluator will determine the appropriate risk level based on the definition provided and assign a numeric value as indicated. The Evaluator should provide notes in the comment box when any sub-factor is rated as high risk. The notes will provide a description of the high risk condition that can be clearly understood by an independent reviewer.

FACTOR 1 – GRANT MANAGEMENT AND PERFORMANCE				
Factor Definition: Extent to which the Grantee has the capacity to carry out the CDBG program according to established requirements.				
Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to: IDIS information, GMS information, contract milestones, funds requests, Single Audit reports, labor compliance reports, and related reporting mechanisms and systems.				
FACTOR 1 - GRANT MANAGEMENT AND PERFORMANCE	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
1.A. Reporting				
Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained. Reports include, but are not limited to reporting Program Income, reporting of beneficiaries in GMS, reporting of milestone compliance in GMS, semi-annual Davis Bacon reports, At least three late or incomplete reports within the last three years.				
At least three late or incomplete reports within the last three years.	High	6		
One or two late or incomplete reports within the last three years.	Medium	4		
All reports timely and complete in the last three years.	Low	0		
1.B. Performance Milestone Compliance				
Criteria: Risk is based on the Grantee's compliance with performance milestones in the Standard Agreement and/or Revolving Loan Fund (RLF) and reporting of accomplishments.				
Grantee has missed three or more performance milestones in the past three years; OR has two or more Activities that are flagged in IDIS for missing accomplishment data.	High	10		
Grantee has missed one or two performance milestones in the past three years OR has one Activity that is flagged in IDIS for missing accomplishment data.	Medium	6		
Grantee has met all performance milestones for the past three years AND has no flagged Activities in IDIS.	Low	0		
1.C. Findings and Sanctions (Monitoring and Single Audit Reports)				
Criteria: Risk is based on Single Audits, previous monitoring within the last three years; and any sanctions that may have been imposed.				
Within the last three years, the Grantee has received Single Audit or Monitoring Findings that are still open, overdue or unresolved; OR sanctions have been imposed on the Grantee; OR Grantee has not been monitored within the last three years.	High	12		
Within the last three years, the Grantee has received one or more Single Audit or Monitoring Finding(s) that have been cleared; OR has had imposed sanctions removed.	Medium	8		
None of the above conditions exist.	Low	0		
1.D. Grantee Cross-Cutting Requirement Compliance				
Criteria: Risk is based on whether the grantee has received a monitoring Finding within the last three program years regarding the CDBG cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, FHEO).				
Within the last three years, Grantee has been monitoring (remotely or onsite) and received one or more Findings on a CDBG cross-cutting programmatic requirement; OR Grantee has not been monitored (remotely or onsite) in the last three years.	High	10		
Withing the last three years, Grantee has been monitoring (remotely or onsite) and has not received a Finding on a CDBG cross-cutting programmatic requirement.	Low	0		
Subtotal for Grant Management and Performance Assessment (Max. 38 pts.)	SUBTOTAL:		0	

Appendix A
HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

FACTOR 2 – PROGRAM COMPLEXITY				
Factor Definition: The number and risk level of activities the Grantee administers including open grant, program income and revolving loan fund activities.				
Rating Considerations: The basis for the Evaluator’s rating in this factor may be derived from: IDIS information, GMS information, standard				
FACTOR 2 - PROGRAM COMPLEXITY	Risk Category	Risk Score	Evaluato Rating	Evaluator's Comments
2.A. Complexity of Activity Types				
Criteria: Risk is based on the complexity of the activities the Grantee is undertaking. "Complex Activities" are defined as: Public Infrastructure, Public Facilities, Multifamily Housing Rehab, Single Family Housing Rehab or Economic Development OTC/Business Assistance.				
Grantee is administering three or more Complex Activities	High	10		
Grantee is administering one or two Complex Activities.	Medium	6		
Grantee is not administering Complex Activities.	Low	0		
2.B. Number of Activities				
Criteria: Risk is based on the number of different types of Ggrant, Program Income and Revolving Loan Fund activities. Activity Types include, but are not limited to: Public Improvements, Public Facilities, Multifamily Housing, ED Business Assistance (OTC and Enterprise Fund count as one Activity), ED Microenterprise, Public Services, Code Enforcement, Single Family Housing Rehab, Homebuyer Assistance.				
Grantee administers 5 or more different Activity Types.	High	10		
Grantee administers between 3 and 5 Activity Types.	Medium	6		
Grantee administers 1 or 2 Activity Types.	Low	0		
2.C. Level of Environmental Review				
Criteria: Risk is based on level and complexity of environmental review for activities undertaken with grant and/or program income funds.				
One or more open grant or program income activities currently underway require a Request for Release of Funds (RROF) or Authority to Use Grant Funds (AUGF).	High	10		
All activities in open grants and/or program income activities currently underway do not require RROF or AUGF.	Low	0		
Subtotal for Program Complexity Assessment (Max. 30 pts.)	SUBTOTAL:		0	

Appendix A
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FACTOR 3 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the Grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to: IDIS, GMS, Single Audits, Findings that require repayment or grant reduction, Program Income reports, Grantee’s financial records, compliance with expenditure and performance milestones.

FACTOR 3 - FINANCIAL MANAGEMENT	Risk Category	Risk Score	Evaluator Rating	Evaluator's Comments
3.A. Timeliness of Drawdowns				
Criteria: Risk is based on meeting expenditure and drawdown milestones in the standard agreement.				
Grantee has missed three or more drawdown milestones in the past three years; OR has two or more Activities that are flagged in IDIS for slow drawdowns.	High	10		
Grantee has missed one or two drawdown milestones in the past three years; OR has one Activity flagged in IDIS for slow drawdowns.	Medium	6		
Grantee has not missed any drawdown milestones in the past three years AND has no Activities flagged in IDIS for slow drawdowns.	Low	0		
3.B. Repayment or Grant Reduction				
Criteria: Risk is based on all occurrences within the last five years where the Grantee has been required to make a repayment.				
Within the last five years, Grantee has had to repay programmatic funds in an amount exceeding \$100,000.	High	12		
Within the last five years, Grantee has had to repay programmatic funds in an amount less than \$100,000.	Medium	8		
Grantee has not had to repay programmatic funds within the last five years.	Low	0		
3.C. CDBG Grant Amount				
Criteria: Risk is based on the absolute amount of CDBG grant funds the Grantee is currently administering, not counting program income.				
Grantee has \$3 million or greater in remaining open grant balances.	High	8		
Grantee has at least \$1.5 million but less than \$3 million in open grant balances.	Medium	4		
Grantee has less than \$1.5 million in open grant balances.	Low	0		
3.D. Grantee Program Income Receipts				
Criteria: Program income received by the Grantee (or Grantee's Sub-recipients) generated by the use of CDBG funds for the most recently completed program year.				
The grantee reported receipt of over \$150,000 in the last program year.	High	8		
The grantee reported receipt of over \$35,000 but no more than \$150,000 in the last program year.	Medium	4		
The grantee reported that program income receipts are anticipated to be less than \$35,000 in the current year.	Low	0		
3.E. Grantee Program Income Balance				
Criteria: Program income, including any Revolving Loan Funds, currently held by the Grantee (or Grantee's Sub-recipients) as of the date of the most recent Program Income Report.				
Program Income balance exceeds \$500,000.	High	6		
Program Income balance of \$200,000 to \$500,000.	Medium	3		
Program Income balance less than \$200,000	Low	0		

Appendix A
HCD Community Development Block Grant (CDBG) Program
Risk Analysis Worksheet

3.F. Loan Portfolio Management Criteria: Size and complexity of CDBG loan portfolio.			
Total CDBG funded loan portfolio exceeds \$750,000, not counting any multifamily loans; OR includes ED Business Assistance loans (Enterprise fund or OTC).	High	8	
Total CDBG funded loan portfolio exceeds \$250,000 but is less than \$750,000, not counting any multifamily loans; AND does not include ED Business Assistance loans (Enterprise fund or OTC).	Medium	4	
Total CDBG funded loan portfolio is \$250,000 or less AND does not include ED Business Assistance loans (Enterprise fund or OTC).	Low	0	
3.G. Procurement Criteria: Risk is based on the Grantee's use of procurement to secure services, materials or construction contractors.			
Grantee has entered into one or more contracts that exceed \$150,000.	High	10	
Grantee has not entered into any contracts that exceed \$150,000.	Low	0	
3.H. Grantee Single Audits (formerly A-133) Criteria: Assessment is based on the timely submission of the single audit required by the expenditure in excess of \$750,000 annually in federal funding and may be found on the State Controller's Office website at			
During the last three years, Grantee has federal expenditures in excess of \$750,000 and has not submitted one or more Single Audits to the SCO as required; OR Grantee received one or more Finding(s) in a Single Audit that have not been cleared or were repeated in a subsequent year.	High	10	
Grantee is exempt and has submitted Exemption to SCO; OR Grantee submitted Single Audits as required and has received one or more Finding(s) in a Single Audit that have been cleared and were not repeated in a subsequent year.	Medium	6	
iii. During the last three years, Grantee has submitted Single Audits as required and has not received a Finding in a Single Audit.	Low	0	
Subtotal for Financial Management Assessment (Max. 72 pts.)	SUBTOTAL:	0	

Overall Risk Assessment - Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Grant Management and Performance	38	0
2. Program Complexity	30	0
3. Financial Management	72	0
Total Risk Score	140	0

Grantee is: **High Risk** **119-140** _____
 Medium Risk **70-118** _____
 Low Risk **0-69** _____

HCD Grant Management Representative: _____ Date: _____

HCD Grant Management Manager: _____ Date: _____