

Chapter XI

CDBG CLOSE-OUT

Introduction

24 CFR 85.50 addresses the timing of grant close-outs as follows: "Within 90 days after the date of expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant." DED has interpreted the time period to include the requirement of the grant being closed out, with the possible exception of the audit, within 90 days of completion of project activities. Consideration will be given to the timing at the close-out monitoring visit by CDBG staff.

The close-out process encompasses a series of activities to verify that CDBG funds have been properly spent and that the city or county has completed the elements of its program in a timely and acceptable manner. The timeliness and content of information presented at close-out is considered by DED to determine future CDBG applications. It is very important that recipients pay careful attention to close-out procedures as a final step in the CDBG management process. The grantee must retain all records for a period of five years from the date the State executes the Certificate of Completion.

There are five major tasks involved in closing out a program:

1. Resolution of all monitoring findings
2. Completion of close-out public hearing and submission of the hearing minutes and affidavit of publication
3. Submission of close-out report (one original copy)
4. Submission of Certificate of Completion (three originally signed copies)
5. Completion and submission of the final audit

The close-out process should begin when the following criteria have been met or will be met shortly.

1. All costs to be paid with program funds have been paid, including any unsettled third-party claims, with the exception of close-out costs, such as the cost of the final audit and the final 10% administration costs. (See the Financial Management Chapter.)
2. The recipient has fulfilled all of its responsibilities under the Funding Agreement. This includes injection of all local cash and in-kind services, other State and/or Federal funding, all private investment, and job creation/retention (in the case of economic development projects). Delays in completing close-out can result in the denial of future requests for CDBG funding.

Types of Close-outs

There are two types of close-outs that can occur at project completion.

1. When all conditions of the grant have been met and all five tasks mentioned above are received and approved, the close-out can be finalized. This is the **regular** close-out procedure.
2. When the conditions of the grant have been met and all documentation has been received and approved except for the remaining audit, the grant can be **administratively** closed, **if the grantee is paying for the audit. If CDBG is paying for audit costs, the grant must remain open until audit invoices are paid, and the audit has been received and approved by DED.** Administrative close-out is noted on the Certificate of Completion, and any disallowed costs by the audit shall be remitted to DED. Once the audit is submitted to the Federal Audit Clearinghouse and approved by CDBG, the grant is considered finalized.

Close-out Report Forms

The close-out report includes the following forms.

1. **State CDBG Close-out Report Cover Sheet:** This form must be signed by the Mayor or Presiding County Commissioner. This form also requests that all written citizen comments/complaints received during the grant, plus the grantee's responses, be attached to the report.
2. **Form 2: Income Data for Program Beneficiaries:** This form is used to report LMI data for all beneficiaries (direct beneficiaries, direct beneficiary applicants, and indirect beneficiaries). **Direct Beneficiaries** are defined as those for which an application or personal income verification must be submitted (housing rehabilitation, new sewer/water hook-ups, or jobs). (See ED/1 below.) **Direct Beneficiary Applicants** are those who applied for housing rehabilitation, sewer/water hookup, or jobs. This includes **all** applicants, both successful and unsuccessful. **Indirect Beneficiaries** are those served by the activity although an application is not required (replacement of sewer/water lines where no new hook-ups occur, streets, clearance, drainage, etc.)

All beneficiary (both income and racial/ethnic) data is reported by CDBG activity (sewer treatment, bridges, housing rehabilitation, acquisition, etc). Do not report beneficiaries for administration or legal activities. The beneficiaries of engineering design, inspection, and architectural fees are the same as the beneficiaries for the construction activity and do not have to be reported separately.

The form includes a space for total beneficiaries and total Low-to-Moderate Income (LMI) beneficiaries. Please notice that three additional levels of LMI beneficiary data must also be reported: Low/Mod (80% of county median), Low (50%), and Very Low (30%). These totals are **non-cumulative**: Low/Mod includes all beneficiaries at or below 80% of county median but above 50%; Low includes all those at or below 50% of county median but above 30%; and Very Low includes all those below 30%.
3. **Form 3: Population Group Data for Direct Beneficiaries:** This form is used to report the racial breakdown of direct beneficiaries by ethnic designation (total and Hispanic). (See ED/1 below.)
4. **Form 4: Population Group Data for Direct Beneficiary Applicants:** This form used is to report the racial breakdown of direct beneficiary applicants by ethnic designation (total and Hispanic). (See ED/1 below.)
5. **Form 5: Population Group Data for Indirect Beneficiaries:** This form is used to report the racial breakdown of indirect beneficiaries by ethnic designation (total and Hispanic).
6. **Form 6: Project Accomplishments:** This form lists, by line item on the Funding Approval, the quantitative results of the project. Professional services should not be included.
7. **Form U: Data Collection for CDBG Performance Measures:** This form collects required data for CDBG Performance Reports.
8. **Form ED/1:** This form is required on close-outs for all programs under the economic development category. It replaces Forms 2, 3, 4, and 5 Direct Beneficiaries (and applicants) discussed above.

Any changes in beneficiaries on the close-out report from the applicant should be verifiable through file documentation. CDBG requires that only one copy of the close-out report be submitted.

Section 3 Summary Report

The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. The Section 3 Summary Report is used to track those efforts.

Instructions for completing the Section 3 Summary Report can be found at the bottom of the second page. **Section 3 Summary Report should be submitted for ALL projects--- EVEN IF NO SECTION 3 PERSONS WERE HIRED, OR NO SECTION 3 CONTRACTS WERE AWARDED.** Simply provide a brief explanation as to why in the box in Part III of the form.

Certificates of Completion

After all program costs have been paid, the grantee shall submit **three originally signed Certificates of Completion**, if applicable. The Certificate should reflect actual expenditures in each line item activity.

Besides final statement of costs, the Certificate provides for computation of any amount to be deobligated and/or returned to DED, actual local contribution compared to application pledged amount (any discrepancy between these two must be explained fully), disposition of program income, and certification by grantee of responsibility for completion.

Grantee should forward to DED a check in the amount of cash on hand remaining at project close-out, if applicable. An amendment must be executed by the grantee for all funds to be deobligated at close-out. This amendment will become part of the close-out process.

Close-out Monitoring Requirements

At project completion, the CDBG field representative for the area involved will contact the grant recipient to determine a date for the close-out monitoring visit. All monitoring findings must be resolved before the close-out can be further processed.

Close-out Public Hearing

A public hearing on grant performance is required after a minimum of 80% project completion. A copy of the published notice and minutes of the hearing must be submitted to DED as part of close-out. (See the Citizens Participation Chapter.)

The Audit

When a recipient accepts funds under the CDBG program, it assumes the responsibility of carrying out the requirement that the CDBG program be audited. **The audit must be performed on an annual basis, in compliance with the Single Audit Act, discussed herein, and forwarded to the Federal Audit Clearinghouse** within nine months of the end of the recipient's fiscal year. This applies for every year the grant is open and to every grant until all funds are audited. CDBG will review audits on the Clearinghouse website; it is not necessary to send a copy of the audit to CDBG unless the audit contains findings regarding the CDBG program. In that case, we will request a copy from the grantee.

Audits are not required if the local entity has expended less than \$750,000 in total Federal dollars in its fiscal year (\$500,000 for fiscal years ending December 31, 2015 or earlier) (see discussion on Single Audit Act). CDBG funds can pay for the cost of auditing CDBG funds only. Since it is impossible to determine audit costs at the time of grant award, or even whether an audit will be required, grant increases can be approved each year once proper procurement has determined amount needed.

Procurement of audit services is subject to the provisions of 2 CFR 200 if CDBG funds are used for payment of audits. In this regard, an auditor ordinarily should be selected through competitive negotiation. This reduces the cost of services while allowing all qualified accountants to compete.

One of the best criteria for selecting an auditor is the degree to which the auditor is familiar with municipal accounting and CDBG/DED regulations with specific reference to performing professional, complete, and timely audits within budget.

Reference materials for required audits are: 24CFR 85 as modified by 24 CFR 570, Subpart J, "Grant Administration"; and 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Single Audit Act of 1984, as amended 1996

One of the Single Audit Act's stated purposes is "to establish uniform requirements for audits of Federal assistance provided to state and local governments." The Amendment is **effective for fiscal years beginning after June 30, 1996** and sets thresholds for having a single audit:

1. The Act requires annual audits of entire entity for state and local governments that expend \$500,000 or more of **Federal financial assistance** annually, for all fiscal years ending **after** December 31, 2003. **For fiscal years ending on December 31, 2015 or later, the threshold of total Federal expenditures raises to \$750,000.**
2. If the total Federal assistance comes from one program only, then a program audit can be performed. If the assistance comes from more than one Federal program, a Single Audit must be performed.
3. If the amount is less than \$500,000 (or \$750,000 depending on the fiscal year), the entity is exempt from Federally imposed audit requirements, but must keep the necessary records that DED must review for that fiscal year. Contact DED for details.

The definition of **Federal financial assistance** goes beyond grants to include contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, and insurance. Subrecipients and their auditors should be aware that the Act does not prohibit entities that receive Federal funds indirectly (through a state agency) from having additional audit requirements imposed on them by the agency that provides the funding.

The audits are to be conducted by an independent auditor in accordance with the auditing standards issued by the General Accounting Office of financial and compliance audits.

The audit shall determine and report that:

1. The financial statements are presented fairly in accordance with GAAP, and the entity has complied with laws and regulations that may have a material effect on the financial statements.
2. The entity has internal control systems to provide reasonable assurance that it is managing Federal financial assistance in compliance with applicable laws and regulations.
3. The entity has complied with laws and regulations that may have a material effect upon each major Federal assistance program. In complying with this provision, the auditor shall select and test a representative number of transactions from each major program.

The Act specifically notes that many of the determinations required in a single audit are not guided by hard and fast rules. The Act provides that "the number of transactions selected and tested" for the purpose described above, "the selection and testing of such transactions, and the determinations required" for those purposes "shall be based on the professional judgment of the independent auditor."

The Act includes a definition of the "internal controls" which appears to go beyond strictly accounting controls. In the Act, internal controls mean "the plan of organization and methods and procedures adopted by management to ensure that:

1. Resource use is consistent with laws, regulations, and policies
2. Resources are safeguarded against waste, loss, and misuse
3. Reliable data is obtained, maintained, and fairly disclosed in reports

Refer to OMB Circular A-133 for more detail regarding this Act.

A copy of all single audits performed under this Act must be submitted to a central clearinghouse, as established by the Office of Management and Budget.

This address is: Federal Audit Clearinghouse
1201 East 10th Street
Jeffersonville, IN 47132
<http://harvester.census.gov/sac/>

If additional information is desired regarding this central clearinghouse requirement, the city/county should call (301) 763-1551.



Department of Economic Development

STATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CLOSE-OUT REPORT

1. Grantee: _____
2. Project Number: _____
3. Address of Grantee: _____
4. Persons Completing this Report: _____
5. Number of citizen's written comments during grant period: _____

If applicable, attach: **(a)** copy of each written citizen comment on the CDBG project performance which was received during the grant period; **(b)** the grantee's assessment of the comment; and **(c)** a description of any action taken or to be taken in response to the comment, as required by Section 104(d) of the Housing and Community Development Act of 1974, as amended, and by 24 CFR 570.

6. The grantee's authorized official representative certifies that:
 - a. The data in this Report is true and correct as of the date noted below.
 - b. The records described in 24 CFR Part 570 are being maintained and will be made available upon request.
 - c. Federal assistance made available under the CDBG program is not being utilized to substantially reduce the amount of local financial support for community development activities below the level of such support prior to the start of the CDBG project being reported here.

7. Typed Name of Authorized Representative: _____

Typed Title of Authorized Representative: _____

8. Signature of Authorized Representative: _____

Date: _____

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FORM 2: INCOME DATA FOR PROGRAM BENEFICIARIES

This form provides information on the low- and moderate-income, low-income, and very low-income project beneficiaries. Use the applicable section for this project. Do not report professional services. The totals for the individual percentage groups are **non-cumulative**: Low/Mod includes all beneficiaries between 80% and 50% of county median; Low includes all those between 50% and 30% of county median, and Very Low includes all those at and below 30%. The column for Total LMI includes **all those at or below 80% of county median**.

Grantee: _____

Project Number: _____

DIRECT BENEFICIARIES:

Activity #:	Activity Name:	Total Number of Direct Beneficiaries	Please list the number and percentage of direct beneficiaries who are:						
			Total LMI Beneficiaries		Low/Mod Income (80%) 80% - 50%	Low Income (50%) 50% - 30%	Very Low Income (30%) 30% and below		
			#	%	#	#	#		

DIRECT BENEFICIARY APPLICANTS:

Activity #:	Activity Name:	Total Number of Direct Beneficiary Applicants	Please list the number and percentage of direct beneficiary applicants who are:						
			Total LMI Beneficiaries		Low/Mod Income (80%) 80% - 50%	Low Income (50%) 50% - 30%	Very Low Income (30%) 30% and below		
			#	%	#	#	#		

INDIRECT BENEFICIARIES:

Activity #:	Activity Name:	Total Number of Indirect Beneficiaries	Please list the number and percentage of indirect beneficiaries who are:						
			Total LMI Beneficiaries		Low/Mod Income (80%) 80% - 50%	Low Income (50%) 50% - 30%	Very Low Income (30%) 30% and below		
			#	%	#	#	#		



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FORM 3: POPULATION GROUP DATA FOR DIRECT BENEFICIARIES

This form provides information on the number of persons directly benefiting and the distribution of beneficiaries among various population groups. Use one section per CDBG activity to be reported. The total for Direct Beneficiaries will include all direct beneficiaries, including those of Hispanic ethnicity. The total for Hispanic Direct Beneficiaries will include only those direct beneficiaries of Hispanic ethnicity. If reporting on more than two activities, use additional copies.

Grantee:			Project Number:		
Activity Number:			Activity Number:		
Activity Name:			Activity Name:		
	Total Direct Beneficiaries	Hispanic Direct Beneficiaries		Total Direct Beneficiaries	Hispanic Direct Beneficiaries
White:			White:		
Black/African American:			Black/African American:		
Asian:			Asian:		
American Indian/Alaskan Native:			American Indian/Alaskan Native:		
Native Hawaiian/Other Pacific Islander:			Native Hawaiian/Other Pacific Islander:		
American Indian/Alaskan Native & White:			American Indian/Alaskan Native & White:		
Asian & White:			Asian & White:		
Black/African American & White:			Black/African American & White:		
Am. Indian/Alaskan Native & Black/African Am.:			Am. Indian/Alaskan Native & Black/African Am.:		
Asian & Native Hawaiian/Other Pacific Islander:			Asian & Native Hawaiian/Other Pacific Islander:		
All Others:			All Others:		
TOTAL			TOTAL		
Female Head of Household:			Female Head of Household:		
Handicapped (Disabled):			Handicapped (Disabled):		
Elderly:			Elderly:		



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FORM 4: POPULATION GROUP DATA FOR DIRECT BENEFICIARY APPLICANTS

This form provides information on the number of persons who applied for CDBG Direct Benefit, and the distribution of those applicants among various population groups. Use one section per CDBG activity to be reported. The total for Direct Beneficiary applicants will include **all** direct beneficiary applicants, including those of Hispanic ethnicity. The total for Hispanic Direct Beneficiary applicants will include only those direct beneficiary applicants of Hispanic ethnicity. If reporting on more than two activities, use additional copies.

Grantee:			Project Number:		
Activity Number:			Activity Number:		
Activity Name:			Activity Name:		
	Total Direct Applicants	Hispanic Direct Applicants		Total Direct Applicants	Hispanic Direct Applicants
White:			White:		
Black/African American:			Black/African American:		
Asian:			Asian:		
American Indian/Alaskan Native:			American Indian/Alaskan Native:		
Native Hawaiian/Other Pacific Islander:			Native Hawaiian/Other Pacific Islander:		
American Indian/Alaskan Native & White:			American Indian/Alaskan Native & White:		
Asian & White:			Asian & White:		
Black/African American & White:			Black/African American & White:		
Am. Indian/Alaskan Native & Black/African Am.:			Am. Indian/Alaskan Native & Black/African Am.:		
Asian & Native Hawaiian/Other Pacific Islander:			Asian & Native Hawaiian/Other Pacific Islander:		
All Others:			All Others:		
TOTAL			TOTAL		
Female Head of Household:			Female Head of Household:		
Handicapped (Disabled):			Handicapped (Disabled):		
Elderly:			Elderly:		



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FORM 5: POPULATION GROUP DATA FOR INDIRECT BENEFICIARIES

This form provides information on the number of persons indirectly benefiting and the distribution of beneficiaries among various population groups. Use one section per CDBG activity to be reported. The total for Indirect Beneficiaries will include all indirect beneficiaries, including those of Hispanic ethnicity. The total for Hispanic Indirect Beneficiaries will include only those indirect beneficiaries of Hispanic ethnicity. If reporting on more than two activities, use additional copies.

Grantee:			Project Number:		
Activity Number:			Activity Number:		
Activity Name:			Activity Name:		
	Total Indirect Beneficiaries	Hispanic Indirect Beneficiaries		Total Indirect Beneficiaries	Hispanic Indirect Beneficiaries
White:			White:		
Black/African American:			Black/African American:		
Asian:			Asian:		
American Indian/Alaskan Native:			American Indian/Alaskan Native:		
Native Hawaiian/Other Pacific Islander:			Native Hawaiian/Other Pacific Islander:		
American Indian/Alaskan Native & White:			American Indian/Alaskan Native & White:		
Asian & White:			Asian & White:		
Black/African American & White:			Black/African American & White:		
Am. Indian/Alaskan Native & Black/African Am.:			Am. Indian/Alaskan Native & Black/African Am.:		
Asian & Native Hawaiian/Other Pacific Islander:			Asian & Native Hawaiian/Other Pacific Islander:		
All Others:			All Others:		
TOTAL			TOTAL		
Female Head of Household:			Female Head of Household:		
Handicapped (Disabled):			Handicapped (Disabled):		
Elderly:			Elderly:		



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FORM 6: PROJECT ACCOMPLISHMENTS

In quantitative terms, state the accomplishments achieved by activity line items for this project (e.g., number of houses rehabilitated, number of structures cleared, number of linear feet of water/sewer line installed, number of blocks of streets paved, etc.). If different from original application/funding approval, state reasons below.

1. Grantee: _____ 2. Project Number: _____

3. Activity Name	4. Activity Number	5. Project Accomplishments

Changes in the original project scope and reasons:



FORM U: DATA COLLECTION FOR CDBG ACTIVITIES

Applicant:		
Category	Corresponding Activity Data Required	
Community Facility	A	
Downtown Revitalization	C, possibly F(2)	
Microenterprise Program	D, E and/or F	
Other Public Needs:		
Rural Affordable Housing	(see RAH application)	
ADA	A	Collected at time of Closeout
BSD	A	
Demolition	B	
Water/Sewer (Engineering Plans-Specs)	A	
Activity	Outcome Indicators	ACTUAL
A. Public facility or infrastructure activities	Number of persons with:	
B.	a. new access to benefit, or	
	b. improved access to benefit	
C. Demolition Only	Number of demolitions:	
D. Downtown Revitalization (with Demolition)	1. Select One: a) comprehensive, b) commercial, c) housing d) other _____	
E.	2. Choose at least 3 if comprehensive:	
	a. # of new businesses assisted	
	b. # of businesses retained	
	c. # of jobs created or retained in area	
	d. \$ leveraged	
	e. # of LMI persons	
	f. SB demolition	
	g. # LMI households assisted	
	h. # sq ft of remediated brownfields	
	i. # of HH with improved access	
	j. # of commercial facade/building rehabs	
k. Optional indicators:		
F. Jobs Created	Total number of Jobs:	
G.	a. Of those, # emp-sponsored healthcare	

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	b. type of jobs created	
	c. # of unemployed before taking job	
H. Jobs Retained	Total number of jobs:	
I.	a. Of those, # emp-sponsored healthcare	
	b. type of jobs created	
J. Businesses Assisted	1. Total businesses assisted:	
	a. # new businesses	
	b. # existing businesses	
	Of those, # expansions	
	# relocations	
	c. DUNS # of business(es)	
	d. 2-digit NAICS industry class.	
	2. Type of Assistance: Working Capital (WC); New Construction (NC); Rehab (R); Machinery/Equipment (ME); Infrastructure (IF)	
	3. Does the business help meet needs of community?	



FORM ED/1: ECONOMIC DEVELOPMENT CLOSE-OUT

Grantee: _____ Project No.: _____

Award Date: _____ Grant/Loan Amount: _____

FEIN #: _____ DUNS #: _____

1. Using information from the Funding Approval/Grant Agreement, provide the following data:

A. Company(ies) Involved:

Name	Jobs to be Created/Retained	Existing Employees (at Start of Project)
_____	_____	_____
_____	_____	_____
_____	_____	_____

B. Private Investment Release Date: _____

C. Pledged private investment: _____

D. Grantee cash match: _____

E. Grantee in-kind match: _____

2. Status of project to date:

A. Number of pledged jobs actually created/retained: _____

B. If pledged job creation/retention goals have not been reached, explain why not.

C. Breakdown of jobs, job titles (see Employment Data under "Job Titles") and applicants:

Company	Present Employment	New/Retained Jobs	Job Titles	Total LMI	Number Low/Mod Income Between 80%-50%	Number Low Income Between 50%-30%	Number Very Low Income 30% and below

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	Jobs		Applicants	
	Total Direct Beneficiaries	Hispanic Direct Beneficiaries	Total Direct Beneficiaries	Hispanic Direct Beneficiaries
White:				
Black/African American:				
Asian:				
American Indian/Alaskan Native:				
Native Hawaiian/Other Pacific Islander:				
American Indian/Alaskan Native & White:				
Asian & White:				
Black/African American & White:				
Am. Indian/Alaskan Native & Black/African Am.:				
All Others:				
TOTAL				
Female Head of Household:				
Handicapped (Disabled):				
Elderly:				
Immediate Prior Unemployment				

D. Amount of private investment documented: _____

E. Amount of grantee cash match documented: _____

F. Amount of grantee in-kind match documented: _____

3. Program Income (Loan Only)

A. Terms of loan: _____ / _____ / _____
no. of years interest rate no. of installments

B. Payable: _____ / First Installment Due: _____
monthly, semi-annually, annually date

C. Option exercised by grantee regarding program income at time of funding (check one):

- ___ 1) Return all program income to State
- ___ 2) Return principal to State; retain interest
- ___ 3) Retain all program income

D. Repayments made to date: _____ + _____ = _____
principal interest total

E. Amount on hand (not spent): _____

F. Name of contact person regarding program income:

Name: _____

Agency: _____

Telephone Number: _____

Name of Grantee's Chief Elected Official

Signature of Grantee's Chief Elected Official

Date

Name of Company's Chief Executive Officer

Signature of Company's Chief Executive Officer

Date

INSTRUCTIONS FOR COMPLETING CERTIFICATE OF COMPLETION

Section A

Enter recipient name and address as shown on the Small Cities Close-out Report Cover Sheet

Section B

Enter the project number assigned on the Funding Approval

Section C

Final Statement of Program Costs: in Section C, complete columns (a) through (d) as follows:

Column (a) Program Activities: Use line C1 through C8 to list the program activities for which the project funds were budgeted. The program activities should reflect those activities documented in the Funding Approval and/or any executed amendments thereto. **(Activity numbers should be included for each item.)**

Column (b) Program Cost Paid: For each of the program activities listed in column (a), enter the amount of State funds that have been paid. The amount recorded in column (b) should pertain to State funds only. Use line C9 to record the total of paid costs, line C10 to record program income that will be applied to paid costs, and line C11 to record the difference between lines C9 and C10.

Column (c) Program Costs Unpaid: For each of the program activities listed in column (a), enter the amount of State funds that are unpaid. The amounts recorded in column (c) should pertain to State funds only. Use line C9 to record the total of unpaid costs, line C10 to record program income that will be applied to unpaid costs, and line C11 to record the difference between lines C9 and C10.

Column (d) Total (column b & c): Use column (d) to document the total program costs (paid and unpaid) for each contract program activity. Total program cost (line C9), program income applied to the program costs (line C10), and the grant amount applied to program (C11) should agree with audited amounts, if any.

Column (e) For State Use Only

Section D

Status of Funds: Complete only column (b) of Section D

Line D1: Same amount as Section C, column (b), line C11

Line D2: Same amount as Section C, column (c), line C11

Line D3: Same amount as Section C, column (d), line C11

Line D4: Total grant award per Funding Approval

Line D5: Unused grant amount to be cancelled, line D4 minus D3

Line D6: Community Development Block Grant funds received to date

Line D7: Balance of grant funds, line D3 minus D6. If line D6 exceeds D3, then line D7 should be a negative amount. If negative amount, it must be immediately returned to the State.

Section E

Certification of Recipient: Type name and title of the recipient's authorized official in the space provided. The grantee's authorized official must sign and date the document in the space provided.

Section F

Local Contribution: State the local match dollar amount pledged (as indicated on the grant application and/or grant agreement) and the **actual** local match documented.

Section G

Program Income Generated: Total program income received during the life of the project should be documented on the space provided. If program income was generated, the source and disposition should be clearly documented in essay format. If there is not program income, indicate with a zero in the appropriate space. Program income should agree with the amount documented in Section C, column (d), line C10.

Section H

Unpaid Costs: Describe in detail, dollar amounts, dates amounts are to be paid, and persons/companies owed. Same as Section C, column (c), line C11 and Section D, column (b), line D2.

Section I

Preparer's name, address, and telephone

Section J

Basis of Close-out: To be completed by State

Section K

State Execution: To be completed by State



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CERTIFICATE OF COMPLETION

A. Name of Recipient:				B. Project Number:	
Address (City, State, Zip):					
C. Final Statement of Program Costs:					
TO BE COMPLETED BY GRANTEE					FOR STATE USE ONLY
Program Activities (Taken from Funding Approval/ Grant Agreement) (a)	Program Costs Paid (b)	Program Costs Unpaid (c)	Total (Column b + c) (d)	Approved Costs (e)	
C1 Administration					
C2					
C3					
C4					
C5					
C6					
C7 Total Program Cost (lines C1 – C6)					
C8 Less: Prgm Income applied to program costs					
C9 Equals: Grant Amt applied to program costs					
D. Status of Funds:					
Description (a)			To Be completed by Grantee	FOR STATE USE ONLY	
			Amount (b)	Approved Costs (c)	
D1 Grant Award Applied to Program Costs (from line C9, column (b))					
D2 Unpaid Program Costs (from line C9, column (c))					
D3 Subtotal (from line C9, column (d))					
D4 Award per Funding Approval/Grant Agreement					
D5 Unused Grant to be CANCELLED (line D4 minus D3)					
D6 Grant Funds Received to Date					
D7 Balance of Grant Payable (line D3 minus D6)*					
*If line D6 exceeds line D3, enter the amount of excess on line D7 as a negative number. This amount shall be repaid immediately, by check, to the state.					
E. Certification of Grantee: It is hereby certified that all activities undertaken by the Grantee with funds provided under the grant agreement in the heading above, have, to the best of my knowledge, been carried out in accordance with the grant agreement; that the proper provision has been made by the Grantee for the payment of all unpaid costs and unsettled third-party claims identified above; that the State of Missouri is under no obligation to make any further payment to the Grantee under the grant agreement in excess of the amount identified on line D7 hereof, and that every statement and amount set forth in this document is, to the best of my knowledge, true and correct as of this date.					
Date		Typed Name and Title		Signature of Authorized Official	

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F. Local Contribution:	Per Funding Approval/Grant Agreement	\$ _____
	Actual Total Match	\$ _____
G. Program Income Generated: (see line C8)	Amount of Program Income	\$ _____
	Source of Program Income?	
	Disposition of Program Income?	
H. Document here any unpaid costs/unsettled third-party claims noted at D2. Describe circumstances and dollar amounts involved:		
I. Person who can best answer questions about this report (preparer):		
Name: _____	Telephone: _____	
Address: _____	City: _____	
State: _____	Zip Code: _____	
J. Basis of Close-out (to be completed by State)		
<input type="checkbox"/> Regular Close-out: All conditions of the grant have been met.		
<input type="checkbox"/> Administrative Close-out: All conditions have been met except for the following audit(s):		

(Any costs disallowed by audit(s) of these funds shall be returned to the State, if sustained by DED.)		
K. State Execution:		
This Certificate of Completion is hereby approved on conditions stated in J. above. Unused committed contract funds have been deobligated in the amount of \$ _____ on _____, Amendment No. _____.		
Department of Economic Development CDBG Program		
By: _____		
Date: _____		

Eligible Activities

1. Property Acquisition
2. Property Disposition
3. Property Clearance/Demolition
4. Architectural Barrier Removal
5. Senior Center
6. Community Facilities
7. Centers for the Handicapped
8. Historic Properties
9. Water Treatment
10. Sanitary Sewer Collection
11. Storm Sewers
12. Flood and Drainage Facilities
13. Streets (or Roads)
14. Street Accessories
15. Parking Facilities
16. Bridges
17. Sidewalks
18. Pedestrian Malls
19. Recycling or Conversion Facilities
20. Parks and Recreation Facilities
21. Fire Protection/Facility Equipment
22. Solid Waste Disposal Facilities
23. Other Utilities
24. Public Service/Supportive Services
25. Rehabilitation of Private Residential Properties
26. Rehabilitation of Public Residential Properties
27. Payments for Loss of Rental Income
28. Relocation
29. Code Enforcement
30. Energy Use Strategy
31. Non-Federal Share Payment
32. Interim Assistance
33. Planning
34. Commercial or Industrial Facilities
35. Administration
36. Engineering/Design
37. Housing Rehab/Demo Inspection
38. Engineering/Construction Inspection
40. Audit
41. Port Facility
42. Airports
43. Natural Gas Lines
44. Electrical Distribution Lines
45. Rail Spurs
46. Lighting
47. Other Professional Services
48. Security Fencing
49. Site Preparation
50. Purchase Land/Building
51. Facility Construction Renovation
52. Machinery/Equipment
53. Working Capital
54. Sewage Treatment
55. LDC Homeownership Assistance – up to \$15,000 to purchase a new home
56. Legal
57. 911 Emergency Systems
60. Homeowners Assistance- up to \$5,000 to purchase an existing DSS home
61. Lead-Based Paint Risk Assessment
62. Asbestos Removal
63. Job Training*
64. Home-Ownership Counseling
65. Substantial Reconstruction of the reconstruction of private residential properties on same lot- up to \$15,000
66. Water Distribution
67. Lead Reduction NOT incidental to Rehab
68. Asbestos Inspection

*Job training activities must be: 1) approved by Job Development and Training or the Private Industry Council, and 2) exist as an element of a welfare to work initiative as it relates to an ED project.

INSTRUCTIONS FOR COMPLETING CONTRACT AND SUBCONTRACT ACTIVITY REPORT (CSAR)

Instructions by Column and Box:

1. Grantee – enter the name of the unit of government submitting this report.
2. City Location – enter street, city, state, and zip code of grantee.
3. Enter DED project number for this CDBG grant.
4. Contact person – enter name of the person responsible for completing and submitting CSAR report for the grantee to DED
5. Enter phone number of contact person & their email address.
6. Enter the Federal fiscal year reporting period (12- month period beginning October 1, 20__ - September 30, 20__).
7. Enter date the CSAR report is submitted to CDBG.
8. Grant Activity Number – enter applicable activity number from Funding Approval.
9. Amount of contract/subcontract – enter the exact dollar amount. **Be sure to report only CDBG funds in this column.**
10. **Enter the date of contract award by grantee or date of execution of the contract by the grantee.**
11. HUD Ethnicity # Designation – enter the single number, from the CSAR form, (1 thru 6) that indicates the racial/ethnic character of the owner of 51% or more of the business. When 51% or more is not owned and controlled by any single racial/ethnic category, enter the number that seems most appropriate. The ethnic designations must be used for subcontractors and prime contractors.
12. Hispanic – enter yes or no indicating whether or not the owner/controllers are of Hispanic origin. Yes would indicate a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
13. Female-Owned Business – enter yes or no indicating whether or not the business is female-owned. A female-owned business is one that is 51% or more owned or controlled by a female(s).
14. Section 3 Business – enter yes or no indicating whether or not the contract is with a Section 3 business. A Section 3 business is one that is either 51% owned by a Section 3 resident(s) of the grantee’s jurisdiction or county, or 30% of all full-time employees are Section 3 residents, or any project contractor that awards 25% of all its subcontracts to a Section 3 business(es).
15. Contractor Employer Identification (ID) Number – enter the Employer (IRS) number of the prime contractor as the unique identifier for the prime recipient of CDBG funds. **Note that the IRS number must be provided for each contract and subcontract awarded.**
16. Subcontractor Identification (ID) Number – enter the Employer IRS number of each subcontractor awarded a subcontract paid with CDBG funds. When a subcontractor’s IRS number is provided in column 16, the respective prime contractor’s IRS number must also be provided in column 15.
17. Contractor/Subcontractor Name and Address – enter this information for all firms receiving CDBG funded contracts or subcontracts. (The street address information needs to be listed only once per firm on the Contract & Subcontract Activity Report (CSAR).

CDBG Administrative Manual
Close-Out

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

- HUD Field Office: Enter the Field Office name .
1. Recipient: Enter the name and address of the recipient submitting this report.
 2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
 3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
 - 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
 6. Reporting Period: Indicate the time period (months and year) this report covers.
 7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self -explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

****CLOSE-OUT HELPFUL HINTS****

- ❖ There is no such thing as an interim close-out with CDBG.
- ❖ All numbers and percentages reported for beneficiaries should add up, when appropriate.
- ❖ All dollar values reported at close-out should add up to reflect expenditures or returned funds.
- ❖ Complete the Disclosure Report in full and submit with the close-out packet.
- ❖ Include a copy of the engineer's certification of work completed with the close-out packet.
- ❖ Respond to and resolve all comments made at close-out public hearing.
- ❖ LMI Totals are CUMULATIVE.