State of Louisiana

OCD/DRU

Community Development Block Grant Program

Disaster Recovery CDBG

Grantee Administrative Manual

Version 3.65

August 8, 2015

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State of Louisiana
OCD/DRU
Community Development Block Grant Program

Disaster Recovery CDBG
Grantee Administrative Manual
Version 3.65 Update Packet

August 3, 2015

This packet includes changes to the Disaster Recovery CDBG Grantee Administrative Manual since the April 13, 2015 Version 3.6 was posted to the OCD/DRU website. This update includes updated chapter portions, exhibits and an updated Table of Contents. Section I of the packet provides step-by-step instructions to update your manual with the revised exhibits. The updated pages to be inserted into your binder are included in this packet and have the date "April 13, 2015" along with "Version 3.65" in the footer of each page and should be printed duplex (front and back side).

I. Instructions for Version 3.65 Revised Pages

a. Locate all of the documents referenced in the column labeled "Discard Section or Discard Exhibit" and remove them from the binder.
b. Insert the updated pages (located at the end of this Version 3.65 Update Packet) into the appropriate section of the binder.

Section	**Discard Old Pages**	**Insert New Pages** *(Version 3.65, dated 08/03/2015)*	**Description of Change(s)**
Cover Page	1-2	1-2	Updated Cover page with new Version # and Date
2	13-14	13-14	Updated subsection 1.1 *General*, item #6b to reflect the HUD requirement for grantees to maintain documents until 5 years after the State's DR grant is closed out by HUD.
4	43-44	43-44	Updated subsection 1.0 *Introduction*, to reflect the HUD requirement for grantees to maintain documents until 5 years after the State's DR grant is closed out by HUD.
5	65-66	65-66	Updated subsection 7.5 *Record Keeping*, to reflect the HUD requirement for grantees to maintain documents until 5 years after the State's DR grant is closed out by HUD.
Ex. 6-2i	33-34	33-34	Updated subsection 14 *Access to Records – Maintenance of Records,* to reflect the HUD requirement for grantees to maintain documents until 5 years after the State's DR grant is closed out by HUD.
Ex. 6-10	5-6	5-6	Updated subsection G *Records and Audits,* to reflect the HUD requirement for grantees to maintain documents until 5 years after the State's DR grant is closed out by HUD.
Ex. 6-10	9-10	9-10	Updated subsection Q *Access to Records,* to reflect the HUD requirement for grantees to maintain documents until 5 years after the State's DR grant is closed out by HUD.
Ex. 12-3	2-11 of 2-11 and 3-1 of 3-3	2-11 of 2-11 and 3-1 of 3-3	Added a new subsection 2.6 *Duplication of Benefits*.

State of Louisiana

OCD-DRU

Community Development Block Grant Program

Disaster Recovery CDBG

Grantee Administrative Manual

Version 3.65

August 3, 2015

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Section 2 – Administration

1.0 Introduction

Disaster Recovery CDBG grants depart from the regular CDBG programs in many respects. The purpose of this section is to describe the criteria for grant administration and the reporting requirements to be used by Disaster Recovery CDBG grantees. These requirements may vary from those applied to the state or state agencies also involved in administering Disaster Recovery CDBG programs.

The Disaster Recovery CDBG Administration Manual starts at a point where the grantee has been selected and the grant approved. The focus is with the implementation and amendment of grantee programs and projects. In taking this approach the OCD-DRU notes that initial determinations of national objective, citizen participation requirements, and compliance with regulatory eligible activity limitations have previously been addressed and do not warrant extended discussion here. The continuing nature of the requirement to maintain compliance with a national objective warrants a discussion of that topic, which is included in Subsection 3.0 below. The requirements for citizen participation and eligible activities will have been provided to the grantee in conjunction with its program or project application process. An overview of the waivers and alternate requirements related to the citizen participation associated with catastrophic disasters is given in Subsection 8.0 below. The grantee should contact the OCD-DRU in the event that further guidance is required in these areas.

It should be noted that certain programs currently administered by the OCD-DRU under certain Disaster Recovery CDBG Action Plans may also be available to grantees. These programs may include activities not discussed in this manual. Grantees should contact the OCD-DRU for guidance related to administration of those programs. An example would be a grantee administered multi-unit housing loan program. This program would involve tenant eligibility (including tenant income verification), loan servicing, and asset management requirements that are not addressed in this manual.

1.1 General

A grantee is responsible for:

1. Day-to-day program management;
2. Subrecipient/Unit of General Local Government monitoring;
3. Contractor management;
4. Beneficiary data;
5. Grantee's internal audit function;
6. Record keeping;
    a. Document day-to-day management;
    b. Retain five years after closeout of the State's Disaster Recovery grant by HUD;
7. Privacy; and,
8. Freedom of Information Act (FOIA) Requests

HUD provides the following general guidance for program administration:

1. Put all procedures in writing. Follow them or document why they aren't followed.
2. Build performance targets into contracts. Hone the scopes of work.
3. Make the files tell the story.
4. Build compliance into day-to-day management. Project completion can be undone by noncompliance.
5. Sign off on the work.
6. Catch problems early and take action.
7. Communicate.

The OCD-DRU, and perhaps HUD, will monitor the grantee's program activities for compliance with program requirements, approved Action Plans and amendments, and applicable statutes and regulations. See Section 12 - Monitoring for an overview of the monitoring activities. Implementing the HUD guidance above will ensure efficient program operation and less disruptive monitoring sessions for the grantee. HUD provides Guidebooks for Grantees and Subrecipients in the CDBG Program on their website (Link included within Subsection 11.0).

2.0 Definitions, Acronyms or Terminology

Please reference these terms for explanation of commonly used names, acronyms, and phrases used within this section.

1. **CFR - Code of Federal Regulations -** Identifies rules and regulations published in the Federal Register
2. **FOIA -** Freedom of Information Act
3. **HUD -** U.S. Department of Housing and Urban Development; establishes the regulations and requirements for the CDBG programs and has oversight responsibilities for the use of funds.
4. **LMI - Low to Moderate Income -** Family or household annual income less than the Section 8 Low Income Limit, generally 80 percent of the area median income, as established by HUD. LMI limits are set annually by HUD; the grantee should obtain the newest table to determine current limits.
5. **Low-Income Household/Family -** A household/family having an income equal to or less than the Section 8 Very Low Income limit (50% of the area median income) as established by HUD. LMI limits are set annually by HUD; the grantee should obtain the newest table to determine current limits.
6. **USC – United States Code –** A consolidation and codification by subject matter of the general and permanent laws of the United States.

3.0 Meeting a National Objective

Before any activity can be funded in whole or in part with CDBG funds, a determination must be made as to whether the activity is eligible under Title I of the Housing and Community Development Act (HCDA), as amended. Activities must also meet one of the three national objectives. All projects funded under CDBG must address at least one of the following three national objectives of the CDBG Program:

1. Benefit low- and moderate-income (LMI) persons
2. Aid in the prevention or elimination of slums or blight
3. Meet other community development needs having a particular urgency

The LMI national objective is often referred to as the "primary" national objective because the regulations require that the OCD-DRU expend at least 50 percent of Disaster Recovery CDBG funds to meet this particular objective. Applicants must ensure that the activities proposed, when taken as a whole, will not benefit moderate-income persons to the exclusion of low-income persons.

A determination of the eligibility of an activity is made as a part of the OCD-DRU Project Application review process. However, under the CDBG regulations, a project is not considered as meeting a national objective until it is complete. Grantees must be aware of the national objective category and document compliance throughout the life of the project or program. See Subsection 3.1.

Section 4 - Records Management

1.0 Introduction

The grantee must maintain all program and project-related documentation such as financial records, supporting documents, and statistical records. These records must be retained for a period of five years after closeout of the State's Disaster Recovery grant by HUD.

2.0 Project File Availability

The filing system the grantee establishes to keep records should be easy to use while providing a historical account of activities for examination and review by the OCD-DRU, auditors, and local grantee staff. The Disaster Recovery CDBG records are subject to the Freedom of Information Act and relevant state laws regarding public availability.

3.0 Logistics

The filing system should be established on a project basis. Files should, to the extent possible, be maintained in a central location.

4.0 Establishing Project Files

The checklist below is a sample of the major file categories that should be maintained and a listing of materials that should be kept in each file. This list is not all inclusive. Although a consultant may maintain a set of files in his/her office, the grantees are required to maintain the original files at their location.

4.1 Grant and Project Approval Files

Files to Maintain	Notes/Dates
Grant and Project Approval *(Refer to Manual Section 1 and Section 2)*	
☐ Letter from the OCD-DRU awarding grant	
☐ Request for Project Amendment Form	
☐ Contract Agreement and any Contract Amendments	
☐ Records of correspondence concerning other contract conditions	

4.2 Citizen Participation Files

Files to Maintain	Notes/Dates
Citizen Participation ***(Refer to Manual Section 2)*** ☐ Copy of all notices of public hearings held and proofs of publication relating to the Disaster Recovery CDBG program ☐ List of persons attending public hearings and minutes of the meetings ☐ Citizen inquiries and complaints and correspondence responding to the inquiries and complaints ☐ Copy of Citizen Participation Plan with adopting resolution. Records documenting implementation and compliance with the CP Plan ☐ Citizen Complaint Procedures	

4.3 Project Activity Files

Files to Maintain	Notes/Dates
Project Activity ***(Refer to Manual Section 2)*** ☐ Applications providing a full description of each activity taken ☐ Records demonstrating that each activity undertaken meets one of the National Objectives of the Disaster Recovery CDBG program	

4.4 Construction Project Files

Files to Maintain	Notes/Dates
Construction Projects ***(Refer to Manual Section 2 and Section 6)*** ☐ Special studies, surveys, investigations, tests results, et cetera ☐ Copy of Preliminary design and cost estimates which were included within application ☐ Final design documents and cost estimates ☐ Evidence that all land, rights-of-ways, and easements have been obtained prior to advertising project for bids; should include highway permits and railroad crossing permits as applicable ☐ Transmittal to OCD-DRU of plans and specifications to review ☐ Receipt and authorization from OCD-DRU to advertise	

7.0 Procedures for Financial Administration

This task presents an overview of the accounting procedures that must be followed in order to comply with state and federal requirements under the Disaster Recovery CDBG program.

7.1 Documenting Use of Funds

All funds must be documented appropriately to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes (24 CFR 85.20 (a)). The grantee must certify to this on each Request for Payment submitted to the OCD-DRU.

7.2 Financial Management System Adequacy

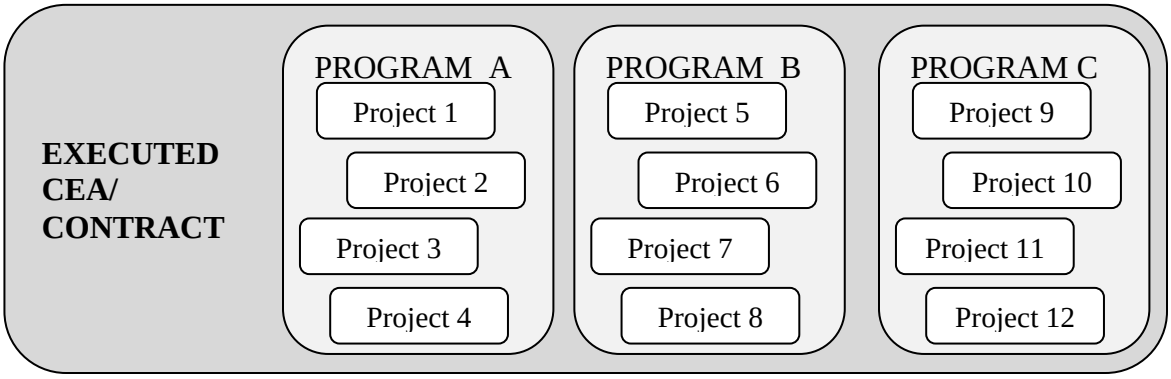
The grantee will receive a Financial Management Questionnaire, which must be completed and returned to the OCD-DRU Finance Department. The OCD-DRU will review this and other information to determine the adequacy of the grantee's financial management system prior to the award of the grant (24 CFR 85.20)). A copy of the grantee's bonding certificate or fidelity policy, and proof of payment or renewal will be required. This should accompany the grantee's audit.

7.3 Accounting Records

Accounting records must be maintained that adequately identify the source and application of funds provided for grant-assisted activities. The accounting for the Disaster Recovery CDBG program has to be on a modified accrual basis. The accounting system must provide the functionality to track receipts and expenditures and generate financial statements on an as-requested basis. Examples of these general purpose financial statements are shown in Exhibit 5-7. If assistance is needed in complying with this requirement, please contact the OCD-DRU staff.

The grantee must track and report on each project within each program of the grant separately. When reported in the grantee's audit, the Disaster Recovery CDBG funds utilized for each project should be separately identified.

In the example below, the grantee has implemented twelve different projects within their one CEA. The projects are within three different programs. The grantee must be able to report on each of the twelve projects separately.



7.4 Support Documents

Accounting records must be supported by such source documentation as cancelled checks, paid bills, invoices, purchase vouchers, payrolls, deposit slips, time and attendance records, CEA and sub-grant award documents, etc. (24 CFR 85.20 (b)(6)). Do not make a payment without invoices and vouchers physically in hand. All vouchers/invoices should be on vendors' letterhead.

Source documentation should explain the basis of the costs incurred and the actual dates of the expenditure. For example, source documentation on payments to contractors would include a request for payment, proof of inspection to verify work and materials, and cancelled checks.

DRU encourages the use of purchase orders when preparing expenditures for payment of any cost associated with the project. These documents are prepared in accordance with local policies and procedures as well as those required by federal regulations.

7.5 Record Keeping

Financial records are to be retained for a period of five years after closeout of the State's Disaster Recovery grant by HUD, with access guaranteed to State officials, their represenatives, or HUD represenatives. Audit requirements are discussed later in this Section.

See Section 4 – Records Management for additional record keeping requirements and a comprehensive list of all financial documents required to be maintained.

8.0 System of Internal Controls

Internal controls refer to the combination of policies, procedures, defined job responsibilities, personnel, and records that allow an organization (or an agency) to maintain adequate oversight and control of its cash, property, and other assets. The soundness of any grantee's financial management structure is determined by its system of internal controls.

Specifically, internal controls refer to:

1. Effectiveness and efficiency of operations;
2. Reliability of financial reporting; and,
3. Compliance with applicable laws and regulations.

With a sound internal control system, a grantee can ensure:

1. Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies;
2. Resources are protected against waste, mismanagement or loss; and,
3. Information on the source, amount, and use of funds is reliable, secured, and up-to-date and that this information is disclosed in appropriate reports and records.

C. A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the contract, is under consideration to be listed on the EPA List of Violating Facilities.

D. Agreement by the Contractor that he will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the Contractor will take such action as the government may direct as a means of enforcing such provisions.

12. SPECIAL CONDITIONS PERTAINING TO HAZARDS, SAFETY STANDARDS AND ACCIDENT PREVENTION

A. Lead-Based Paint Hazards
(include in contracts for construction or rehabilitation of residential structures)

The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations, 24 CFR Part 35. The Contractor and subcontractors shall comply with the provisions for the elimination of lead-based paint hazards under Subpart B of said regulations. The Owner will be responsible for the inspections and certifications required under Section 35.14 (f) thereof.

B. Use of Explosives (Modify as required)

When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state and federal laws in purchasing and handling explosives. The Contractor shall take all necessary precaution to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced and the material shall be covered with suitable timber, steel or rope mats.

The Contractor shall notify all owners of public utility property of intention to use explosives at least 8 hours before blasting is done close to such property. Any supervision or direction of use of explosives by the engineer does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

C. Danger Signals and Safety Devices (Modify as Required)

The Contractor shall make all necessary precautions to guard against damages to property and injury to persons. He shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades and other devices necessary to protect the public. In case the Contractor fails or neglects to take such precautions, the Owner may have such lights and barricades installed and charge the cost of this work to the Contractor. Such action by the Owner does not relieve the Contractor of any liability incurred under these specifications or contract.

13. FLOOD DISASTER PROTECTION

This contract is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). Nothing included as a part of this contract is approved for acquisition or construction purposes as defined under Section 3(a) of said

Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this contract for such acquisition for construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements or Section 102(a) of said Act.

Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Contract shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of Flood Disaster Protection Act of 1973.

14. ACCESS TO RECORDS - MAINTENANCE OF RECORDS

The State of Louisiana, the Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the Contractor which are directly pertinent to this specific contract, for the purpose of audits, examinations, and making excerpts and transcriptions. All records connected with this contract will be maintained in a central location by the unit of local government and will be maintained for a period of five (5) years from the official date of the State's final closeout of its grant with HUD.

15. INSPECTION

The authorized representative and agents of the State of Louisiana and the Department of Housing and Urban Development shall be permitted to inspect all work, materials, payrolls, records of personnel, invoices of materials, and other relevant data and records.

16. REPORTING REQUIREMENTS

The Contractor shall complete and submit all reports, in such form and according to such schedule, as may be required by the Owner.

17. CONFLICT OF INTEREST

A. No officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed. Further, the Contractor shall cause to be

of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

D. PERSONNEL

a) The CONSULTANT represents that he has, or will secure at his own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the GRANTEE.

b) All of the services required hereunder will be performed by the CONSULTANT or under his supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.

c) None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the GRANTEE. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

E. ASSIGNABILITY

The CONSULTANT shall not assign any interest in this Contract, and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the GRANTEE thereto. Provided, however, that claims for money by the CONSULTANT from the GRANTEE under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the GRANTEE.

F. REPORTS AND INFORMATION

The CONSULTANT, at such times and in such forms as the Parish may require, shall furnish the GRANTEE such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this Contract.

G. RECORDS AND AUDITS

The CONSULTANT shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to the Contract and such other records as may be deemed necessary by the GRANTEE to assure proper accounting for all project funds, both federal and non-federal shares. These records will be made available for audit or other financial reporting purposes to the GRANTEE or any authorized representative, and will be retained for five years after the OCD-DRU has officially closed-out the Disaster Recovery CDBG grant with HUD, unless permission to destroy them is granted by the GRANTEE.

H. FINDINGS CONFIDENTIAL

All of the reports, information, data, et cetera, prepared or assembled by the CONSULTANT under this Contract are confidential and the CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of the GRANTEE.

I. COPYRIGHT

No materials, to include but not limited to reports, maps, or documents produced as a result of this contract, in whole or in part, shall be available to CONSULTANT for copyright purposes. Any such materials produced as a result of this contract that might be subject to copyright shall be the property of the GRANTEE and all such rights shall belong to the GRANTEE, and the GRANTEE shall be sole and exclusive entity who may exercise such rights.

J. COMPLIANCE WITH LOCAL LAWS

The CONSULTANT shall comply with all applicable laws, ordinances and codes of the state and local government, and the CONSULTANT shall hold the GRANTEE harmless with respect to any damages arising from any tort done in performing any of the work embraced by this Contract.

K. CIVIL RIGHTS ACT OF 1964/EQUAL EMPLOYMENT OPPORTUNITY

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. During the performance of this Contract, the CONSULTANT agrees as follows:

a) The CONSULTANT will not discriminate against any employee or applicant for employment because of race, creed, sex, color, national origin, handicap or familial status. The CONSULTANT will take affirmative steps to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, sex, color, national origin, handicap or familial status. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms or compensation; and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the GRANTEE setting forth the provisions of this non-discrimination clause.

b) The CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of the CONSULTANT; state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, national origin, handicap or familial status.

c) The CONSULTANT will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials

O. INTEREST OF OTHER LOCAL PUBLIC OFFICIALS

No member of the governing body of the locality and no other public official of such locality, who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this Contract; and the CONSULTANT shall take appropriate steps to assure compliance.

P. INTEREST OF CONSULTANT AND EMPLOYEES

The CONSULTANT covenants that he presently has no interest and shall not acquire interest, direct or indirect, in the project area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his services hereunder. The CONSULTANT further covenants that in the performance of this Contract, no person having any such interest shall be employed.

Q. ACCESS TO RECORDS

The OCD-DRU grantor agency, the Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the CONSULTANT which are directly pertinent to this specific contract for the purpose of audits, examinations, and making excerpts and transcriptions.

All records connected with this contract will be maintained in a central location by the unit of local government and will be maintained for a period of 5 years from the official date of OCD-DRU's Disaster Recovery grant by HUD.

R. INSURANCE

- Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI.
- This rating requirement shall be waived for Worker's Compensation coverage only.
- CONSULTANT's Insurance: The CONSULTANT shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency. The CONSULTANT shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the CONSULTANT shall also submit copies of insurance policies for inspection and approval of the GRANTEE before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) days' notice in advance to the GRANTEE and consented to by the GRANTEE in writing and the policies shall so provide.

- Compensation Insurance: Before any work is commenced, the CONSULTANT shall maintain during the life of the contract, Workers' Compensation Insurance for all of the CONSULTANT's employees employed at the site of the project. In case any work is sublet, the CONSULTANT shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the CONSULTANT. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the CONSULTANT shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

- Commercial General Liability Insurance: The CONSULTANT shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the GRANTEE, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the GRANTEE. Such insurance shall name the GRANTEE as additional insured for claims arising from or as the result of the operations of the CONSULTANT or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of *[insert GRANTEE determined amount here – for example $1,000,000*].

- Insurance Covering Special Hazards: Special hazards as determined by the GRANTEE shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the CONSULTANT, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

- Licensed and Non-Licensed Motor Vehicles: The CONSULTANT shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of *[insert GRANTEE determined amount here – for example $1,000,000*] per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

- Subcontractor's Insurance: The CONSULTANT shall require that any and all subcontractors, which are not protected under the CONSULTANT's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the CONSULTANT.

S. APPLICABLE LAW

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the ___[*insert district court*]___, parish of _____, State of Louisiana.

T. CODE OF ETHICS

Office of Community Development/Disaster Recovery Unit

Exhibit 12-3
Compliance Monitoring Core Checklist Template

Revised August 3, 2015

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2. Policies and Procedures Review			
Requirements	**Response**	**Issue Type**	**Comments**
Recordkeeping Policies and Procedures			
5. Do the recordkeeping policies and procedures describe the information that needs to be collected and why?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
6. Do the recordkeeping policies and procedures describe when the information should be collected and how often?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
7. Do the recordkeeping policies and procedures describe how the information should the acquired, organized (in an orderly manner that provides ease of examination by any applicable parties and stored in a secure, central location)?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
8. Do the recordkeeping policies and procedures describe how the information should be reported?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
9. Do the recordkeeping policies and procedures describe the required retention period for records (minimum of five years)?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
10. Access to Records – Do the record keeping procedures provide access to records and/or personnel by authorized agencies and/or citizens as required?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
2.6 Duplication of Benefits			
Description: Use this Section to determine if the Grantee/Subrecipient has a Duplication of Benefits Policy. **Regulations:** Robert T. Stafford Disaster Relief and Emergency Assistance Act			
1. Does the Grantee/Subrecipient have an adopted Duplication of Benefits policy? *Note: See Exhibit 2-6 Sample Duplication of Benefits Policy.*	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	

Subrecipient : **Monitor:** **Date Completed:**

3. Validation of Financial Management System

Requirements	Response	Issue Type	Comments
3.1 Establishing DR CDBG Funds Account			
Description: Use this Section to assure that the applicable process has been followed to establish the Subrecipient's DR CDBG Funds Account.			
1. Has the Subrecipient's disaster recovery CDBG funds account been reviewed during a previous monitoring review?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
1.1. Have any issues been discovered based on prior reviews of the Subrecipient's DR CDBG funds account? *If no, mark "N/A" for the remaining questions in this Section.*	☐Yes ☐ No ☐ N/A	☐N/A ☐Finding ☐Concern	
2. Has the Subrecipient setup a non-interest bearing account for disaster recovery funds?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
3. Is the Subrecipient using its general bank account?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
3.1. If the Subrecipient is using this account, is this an interest-bearing account? Note: If interest is accrued on Disaster Recovery CDBG funds, the OCD/DRU must collect it from the Subrecipient.	☐Yes ☐ No ☐ N/A	☐N/A ☐Finding ☐Concern	
4. Is the account used by the Subrecipient FDIC insured?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
4.1. If applicable, is the bank providing collateral to secure all funds in excess of FDIC limits?	☐Yes ☐ No ☐ N/A	☐N/A ☐Finding ☐Concern	
3.2 Financial Administration			
Description: Review the Subrecipient's Financial Administration System and use this Section to assure that it meets the standards set forth in 24 CFR 84.21, 24 CFR 85.20, and 24 CFR 570.502			
1. Has the Subrecipient's financial administration system been reviewed during a previous monitoring review?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	
1.1. Were issues identified in previous reviews? *If yes, continue through this Section. If no, continue to next Section.*	☐Yes ☐ No ☐N/A	☐N/A ☐Finding ☐Concern	
2. Has the Subrecipient designated someone to be responsible for financial management?	☐Yes ☐ No	☐N/A ☐Finding ☐Concern	