



CITY OF
HAYWARD
HEART OF THE BAY

**COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG)
PUBLIC SERVICES POLICIES
AND PROCEDURES MANUAL**

(UPDATED 5/13)

**FOR CITY FUNDED CDBG PUBLIC
SERVICES PROGRAMS**

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I. INTRODUCTION

The guidelines set forth in this Policies and Procedures Manual specify some of the most significant rules and regulations to be followed by agencies receiving public services funding through the City of Hayward's Department of Housing and Urban Development (HUD) funded Community Development Block Grant (CDBG) Program. They are intended to facilitate uniform administration and accounting of funds and services.

Periodic revisions may be made to this manual. When changes are made which affect funded programs, a representative from the Library and Community Services Department (hereafter referred to as "the Department") will inform the programs. Department staff will also provide technical assistance to programs when needed during the contract period. Any questions concerning fiscal policies and procedures not covered by this manual should be addressed to the Library and Community Services Department staff liaison assigned to your funded agency.

II. GENERAL POLICIES & PROCEDURES

Overview: The Community Development Block Grant (CDBG) Program is a federal program of the U.S. Department of Housing and Urban Development (HUD). The program began in 1974, when congress passed the Housing and Community Development (HCD) Act. City CDBG funds are used to meet the needs of its low- and moderate-income residents through activities such as housing-related public services, the improvement of community facilities, economic development, and neighborhood revitalization. The policies and procedures outlined in this manual are a combination of federal and City requirements. This manual is specific for public services' recipients who receive monthly reimbursements; other types of sub-recipients may find sections of this manual applicable and assistive.

A. CITY STAFF AND COMMISSION RESPONSIBILITIES

Library and Community Services Department Staff:

It is the responsibility of the Department staff to monitor the programs' activities and report on contract compliance to the Community Services Commission and to City Council. It is also the responsibility of Department staff to review and process reimbursement requests and to communicate applicable policies and regulations to programs.

A Department staff liaison will be assigned to each program. The staff liaison will handle all contract related matters for the funded program, including: contract execution, performance reporting, monitoring, reimbursement of eligible expenses, and technical assistance. All contract-related matters will be channeled through the staff liaison. Technical assistance is available to programs upon request. The response to a request for technical assistance will take

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into account the availability of Department staff and staff members' expertise in the area of concern.

Community Services Commission:

The Community Services Commission (CSC) is an advisory body to City Council which encourages a planned and orderly approach to the development of community services in the City and is the primary way that community input and comments are collected for Council's review prior to allocating funds. The CSC reviews, evaluates, and makes recommendations to the City Council on proposals submitted by agencies seeking City-administered funding, including but not limited to Community Development Block Grant ("CDBG") and Social Services Program funding. Regular public meetings of the CSC are held on the third Wednesday of every month at 7:00 p.m. The Department provides staff support to the Community Services Commission. All funded agencies receive an electronic copy of each meeting agenda prior to each meeting.

During the program year, the CSC will assign one of its members to serve as liaison to each program granted City funds. Each Commission liaison will review their respective agency's Board of Directors/Advisory Board meeting agendas and minutes, Performance Reports, and may make on-site visits, in order to become familiar with the program. Commissioners are able to review all documents and information submitted into the City's online contract management system, City Data Services, for their assigned agencies.

B. OPERATIONAL RESPONSIBILITIES AND PROCEDURES FOR CDBG-FUNDED PROGRAMS

1. Minimum Contracting Standards: Prior to executing each agency's contract, the Department must confirm that a funded agency's administrative, financial, and programmatic systems are sufficient to track and account for the agency's resources, including the funding to be received from the City. The following items represent the City's Minimum Contracting Standards:

a. Complete Board of Directors Packets – If an agency did not receive funding in the previous year, board packets (agendas, minutes, attachments, and reports) for the proceeding January – June must be submitted to the staff liaison in hard copy. Previously funded agencies are not required to resubmit board packets, but must be up-to-date.

NOTE: All agencies must submit copies of their Board of Directors and/or Local Advisory Committee agendas (prior to each meeting), minutes, attachments, and reports.

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- b. Board of Directors Meeting Schedule** – A meeting schedule for the coming year, including the location of where those meetings will be conducted, must be submitted.
- c. Board of Director’s Requirements** – Each funded agency is required to have at least three members of its Board of Directors residing in and/or working in the City of Hayward. As an alternative, the agency may choose to form an advisory committee which is separate from the Board of Directors. In doing so, the membership of the Advisory Committee must be made up of a minimum of three members who live in and/or work in the City of Hayward. In either case, employees of a funded agency may not be counted towards the fulfillment of this requirement.

This Committee shall provide input and recommendations to the administration of the agency. The purpose of this requirement is to insure that agency staff is aware of, and responsive to, the interests and needs of the Hayward residents they serve. It is required that the Committee meets at least quarterly.

In order to verify that each agency meets this requirement, a list of its Board of Directors and/or Advisory Committee members must be submitted. The list must include each member's name, city of residence, city of occupation, and term dates. Changes in membership must be submitted to the Department within thirty calendar days after any changes are implemented.

An exception to the Board of Director and/or Advisory Committee member requirement may be made by Department staff. In order to receive an exception, the agency must demonstrate adequate local participation. The assigned Department staff may consider factors such as local visibility, opportunities for local input, the ratio of Hayward clients served to overall clients served, and other factors as appropriate.

- d. Board-Approved Agency-Wide Budget** – A board-approved, balanced, agency-wide budget is required to be submitted to the City for the same Fiscal Year in which funding is allocated. The agency-wide budget must include sources and uses – **OR** – an allocation schedule must also be submitted. Source documentation showing board-approval must accompany the budget. Appropriate documentation may include a board resolution, approved board minutes, or a signed statement from the Board Chair.
- e. Independent Fiscal Audit** – A current independent fiscal audit must be on file with the City of Hayward before a contract may be executed, i.e. the fiscal audit may not be more than one year old. For example, if an allocation is received for Fiscal Year 2012-13, the independent fiscal audit submitted must be for statements and records for Fiscal Year 2010-11 (not earlier). The management letter that accompanied the audit must be included (this letter will discuss any weaknesses or areas of concern that have

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the potential to develop into more serious problems). If there were any findings in the audit, a letter from the Board of Directors explaining the corrective measures and timeline to be followed to resolve the problem(s) must be provided.

- f. **Insurance Documentation** – The City requires each agency to maintain a minimum of \$1,000,000 in general liability insurance, in addition to other types of insurance policies that may be appropriate to the City-funded project. Current general liability, workers compensation, and other applicable insurance certificates must be on file with the City of Hayward.
- g. **Data Collection Tools** – All agencies that were not funded in the previous year must submit the data collection tool(s), intended to meet the City’s reporting requirements.
- h. **Prior Year File Close-Out** – If an agency was funded in the prior year, the previous year’s contract and file must be complete before a new contract may be executed. Any outstanding items from previous contracts must be resolved. Exceptions may be made on a case-by-case basis by the Department.

2. Other Requirements

- a. **Confidentiality** – Agencies shall furnish all information and reports required by the City. Agencies shall permit access to books, records, and accounts by City staff, the U.S. Department of Housing and Urban Development, and the Office of the Inspector General for the purposes of evaluation to ascertain compliance with all applicable rules, regulations, and orders and for the purpose of monitoring programs’ performance. Individual client information provided to the City for monitoring purposes will be kept confidential as required by law.
- b. **Record Retention** – All records related to the contract, including financial, client, and administrative files must be maintained for a period of no less than four years from the date of project/program close-out, per 24 CFR 570.502(b)(3)(ix). This includes complete source documentation, used for financial reimbursement and to determine client eligibility. Exceptions to this “four-year rule” exist which require records to be maintained for longer periods of time. The most common exceptions include litigation, claim, or audit findings; and real property and equipment acquisitions. All exceptions to the “four-year rule” are listed under 24 CFR 84.53(b).
- c. **Nondiscriminatory Practices and Affirmative Action** – Each agency is required, as a condition of its contract with the City, to comply with the "City of Hayward Nondiscriminatory Employment Practices” provision and "Special Affirmative Action” provision for supply and service contracts. Access to the agency's services must also be in compliance with the federal Americans with Disabilities Act (ADA) of 1990.

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The agency shall make available to employees, participants, beneficiaries, and other interested persons, such information regarding the program's nondiscrimination policies, procedures, and responsibilities, as the agency or the City funds necessary to apprise such persons of the protections against discrimination assured them. The agency shall also notify such persons of their right to seek redress of alleged violations of 31 Code of Federal Regulations (CFR) Part 51.55 (d)(2) implementing Section 504 of the Rehabilitation Act of 1973 or violations of 24 CFR Part 41, by filing within 90 days of the date the complainant becomes aware of the alleged discrimination.

- d. Personnel Policies** – Each agency must have personnel policies regarding regular and temporary positions, probation periods, salaries, promotions, sick leave, vacation, time-off, etc. A copy of the agency's board-authorized Personnel Policies must be made available to the City upon request.
- e. Client Grievance Procedure** – Each agency is required to have a general Client Grievance Procedure. The Client Grievance Procedure should be posted for clients receiving services to see. The procedure should be in the primary spoken language(s) of the clients. At minimum the procedure should detail the steps of filing a grievance and the timeframe for response. Contact information for appropriate staff should be listed on the procedure. A log of all grievances and resolutions must be maintained.
- f. Conflict of Interest** – No agency or its subcontractor, shall hire, or permit the hiring of, any person if that person or a member of that person's immediate family has an administrative or policy-making position with the agency. The term "immediate family" includes wife, husband, domestic partner, son, daughter, mother, father, grandmother, grandfather, brother, sister, and in-law relationships. The term "administrative capacity" means persons who have selection, hiring, or supervisory responsibilities for employees or contractors of the program. The term "policy-making" capacity means membership on the board of directors, advisory boards and committees, or a similar position with the agency or any parent or subsidiary organization of the agency.
- g. Program Operation Time Schedules** – It is the responsibility of each agency to submit to the Department information regarding the program's hours of operation and observed holidays. It is expected that programs will maintain these hours of operation for the duration of the grant year. The Department must be notified of any changes in writing within 10 days after their occurrence.
- h. Living Wage Ordinance** – All City contracts in excess of \$25,000 must comply with the City of Hayward Living Wage Ordinance, as described in Chapter 2, Article 14 of the City of Hayward's Municipal Code. Such agencies must pay their employees the

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current determined Hayward Living Wage. The Living Wage rate is updated every year by the City of Hayward's Purchasing Division.

i. **Monitoring** – The City conducts regular monitoring of all funded programs to verify that applicable laws and regulations are being met. All monitoring activities provide an opportunity to discuss any programming issues relevant to the contract such as program objectives, record keeping, service levels, fiscal procedures, and/or reporting requirements. Monitoring occurs throughout the program year through the following main activities:

- 1) **Reporting Requirements** – Programs receiving funds from the City will submit Performance Reports as required by the Contract Work Program. When service objectives are not met, an explanation must be provided and when appropriate, a plan of action intended to rectify the situation must be submitted. Failure to submit timely Performance Reports will result in suspension of funds until such time as the report has been received and approved by the Department.
- 2) **Desk Monitoring** – The staff liaison will conduct ongoing desk-monitoring of your program. Once each program year, all agencies will undergo a formal monitoring process, including a minimum of a desk audit. This process will require material submission by the agency for Department staff's review. Written notice with a checklist of required items will be provided approximately two weeks before the materials are due for submission. Department staff will notify the agency of areas of success, areas of concern, and any areas requiring corrective action as noticed by the desk audit.
- 3) **On-Site Monitoring** – Each agency will receive on-site monitoring by City staff. On-site monitoring will be conducted every twelve to twenty-four months as determined by the staff liaison. Written notice will be provided two to four weeks prior to the visit. These visits are typically two hours long and a checklist is provided to the agency prior to the visit to assist with preparation. Additional documentation may be requested at the time of the visit and the agency should be prepared to grant Department staff access to records.

Financial and administrative systems will be monitored for performance, internal controls, compliance with eligibility requirements, etc. Potential or existing problems and weaknesses may be identified. Any problem or weakness must be resolved within a reasonable and agreed upon timeline.

If the staff liaison has a particular area of concern, monitoring of specific areas and/or systems may occur as determined appropriate by the staff liaison. On-

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site monitoring is likely to occur more often than every twelve months if such a determination is made.

j. Other Site Visits - Site visits, outside of the formal monitoring process, may be conducted at separate times by the liaison from the Community Services Commission and City staff. Site visits provide both the Community Services Commission and City staff the opportunity to become acquainted with each program's operation, physical environment, and personnel. Site visits from City staff may be made to provide technical assistance and attend board or other meetings as appropriate.

k. Services to Low- Income Hayward Residents

All funds provided by the City of Hayward must be used to assist low-income Hayward residents. For example, if Hayward funds represent 25% of an agency's total program budget, at least 25% of that program's clients must be low income Hayward residents. For shelters, the term "Hayward resident" means a client's most recent domiciled address must have been in the City of Hayward.

Agencies are required to collect source documentation from clients and make low-income determinations for each client served. The income status and eligibility of the client must be documented in the individual client file. To determine an individual's income status, the individual's entire household's gross income must be used. There are two acceptable methods which may be used to determine the income status of clients:

- 1)** Agencies may use the City of Hayward Gross Household Income Guidelines (Attachment B). Use of the Income Guidelines requires that agencies maintain copies of the source documentation used to make each determination (e.g., tax returns, SSI statements, etc.). CLIENTS MAY NOT SELF-CERTIFY; or
- 2)** If an agency serves a clientele that HUD "presumes" to be low-income then an agency must document how it verified each client meets the definition. For example, if a program serves exclusively seniors over the age of 62, then a copy of each client's identification card would be sufficient. Activities that exclusively serve a group of persons in any one or combination of the following categories may be presumed to benefit, 51 percent of whom are low- and moderate-income: abused children, battered spouses/partners, elderly persons (62 or older), adults meeting the Bureau of the Census' Current Population Reports definition of severely disabled, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers. If using presumed benefit categories, please report clients served as low (80% LMI) income clients on Performance Reports.

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Client income status must be reported on Performance Reports. Agencies may not use CDBG funds to serve clients who cannot be determined to be low-income through one of the above methods.

In instances where a program exclusively serves clients in low-income census tracts (Attachment C), the agency may not be required to collect source documentation. An agency must receive written determination from the Department that they do not need collect income source documentation as they met the Low-Moderate Area Benefit National Objective. Individual income data must still be collected and reported in the performance reports, but it may be self-reported by the client. A determination must be issued and documented by the Department each contract period. An agency may not make this determination without the Department's approval.

I. Contract Execution

- 1) **Environmental Review** – All CDBG funded projects are subject to National Environmental Protection Act (NEPA) review and clearance. Department staff usually conducts the NEPA review of projects with funding allocations in May, prior to the start of the program year on July 1. If the project does not meet NEPA requirements, then the project will not be funded.
- 2) **Work Program** –With assistance from the staff liaison, funded agency staff will develop program goals using objective, measureable, outcome-based indicators. The City may require programs to report on defined, pre-selected indicators.
- 3) **Budget** – Funded agency staff will negotiate with the staff liaison to set up the Contract Budget. This budget must reconcile with the agency's board-approved budget. Eligible expenses are described under Fiscal Policies and Procedures and blank line-item budget is included in this manual (Attachment A).
- 4) **Exhibit C** - The City requires all funded agencies to carry certain amounts and types of insurance. These are described in the Contract (Exhibit C). Previously funded agencies may use Exhibit C's already on file if there has been no change to insurance policies. First-time funded agencies will need to have their insurance broker complete the Exhibit C.

If there have been changes to the existing Exhibit C on file, it will be necessary to have an insurance broker complete and submit a new Exhibit C to the City. The City must also be provided with at least 45 days advance notice of any cancellation, non-renewal, or change in insurance limits or coverage.

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- 5) **Process and Time Frame** – When all of the City’s Minimum Contracting Standards have been satisfied, and the Work Program and Budget have been finalized, the two original copies of the entire contract will be prepared and mailed to the agency’s Executive Director for her/his signatures.

When the signed Contract is returned to the Department, it will be executed and recorded. A duplicate original of the executed Contract will be mailed to the agency.

- 6) **Loss of Award: Failure to Execute Contract in a Timely Manner** – The submission of Minimum Contracting Standards begins in late April or early May: two months before the program year begins on July 1st. Broadcast e-mails are sent to all agencies with the directions for contracting by early May. Agency staff must work closely with their assigned staff liaison to assure that all contracting items are satisfied. As funds will not be disbursed without an executed contract, it is in the agency’s best interest to satisfy all requirements by July 1st. If a contract is not executed in a timely manner funds may be forfeited. Funded programs whose contracts not prepared and in route for execution by August 15th, will receive a certified letter addressed to the agency’s Executive Director listing the outstanding required items and notification that funds will be forfeited if a contract is not executed by September 30th.

If an Contract is not executed by the end of September due to the agency’s and/or program’s inability to meet the City’s Minimum Contracting Standards in a timely manner, negotiate a contract work program and/or budget, resolve outstanding compliance issues from a previous funding cycle, or any other contracting issue as communicated, the staff liaison will make a recommendation to reallocate the allotted funds in order to best meet the intended or similar objectives of the award. If no similar intended objectives exist or if a more immediate objective exists, the staff liaison will recommend reauthorization of a use based on community need and available resources to meet that need. Reallocation and reauthorization must be approved by the Department Director and City Manager.

When the funds for reallocation result in the intent to fund a new contract in excess of \$25,000, or if an approved contract under \$25,000 will be increased to an amount over \$25,000, City Council authorization will be required. If the reallocation and reauthorization of funds is recommended to change the use from one eligible CDBG Matrix Activity to another eligible CDBG Matrix Activity, a Substantial Amendment to the City’s Annual Action Plan will be made in accordance with the current [Citizen Participation Plan](#).

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- 7) **Suspension or Probation of Funds and Termination of Contract** – The Department may place an agency on probation, suspend, or terminate the Contract, as accorded by 24 CFR 85.43 and 24 CFR 85.44. When minor compliance issues exist (such as failure to maintain Minimum Contracting Standards), an informal approach via phone calls and e-mail may occur first and funds may be held until compliance is met. If compliance of the minor issue is not met within 10 business days or if another compliance issue exists, a certified letter requiring a Corrective Action Plan will be sent to the Executive Director’s attention. In the case of suspension or probation, depending upon the severity of the compliance problem, city staff shall provide not less than 2 and not more than 10 business days to submit a Corrective Action Plan. Acceptance of the Corrective Action Plan and any required changes is at the discretion of the Department. If the agency does not implement the Corrective Action Plan according to the Department-approved schedule that will be grounds for termination.

If the agency and/or program fails to fulfill any of its obligations, the Department may terminate the Contract, in whole or part, by providing written notice of the termination and specifying the effective date, at least 5 days before the effective date of such termination. If funds were used in a non-eligible manner, the staff liaison will include written documentation of the determination and the sum due for repayment or deduction from undisbursed funds as appropriate.

The agency and the Department may terminate the contract for any reason upon giving at least 30 days written notice prior to the effective date. In the case of partial termination, the portion to be terminated must be specified in the notice. If the staff liaison determines that the partial termination will prevent the program from accomplishing the purpose of the award, the Department may completely terminate the contract.

C. FISCAL POLICIES AND PROCEDURES

1. Accounting System

CDBG funded agencies must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. Each agency must maintain adequate accounting records that meet various standards, including cost principals and financial management, that are complaint with OMB Circulars A-122 or A-21, 24 CFR Part 85, and all other applicable laws and regulations. ***These are lengthy documents and therefore electronic copies are available on the City’s website and on www.whitehouse.gov.***

2. Audit Requirements

All agencies are required to have an independent audit completed annually in order to qualify for and receive ongoing funding. All agencies must and provide the City with a copy of each audit as soon as it has been accepted by the board. Agencies must provide a written response to findings, if any, that includes a timeline for correction.

The auditor's report and financial statements must be prepared in accordance with applicable laws, including but not limited to the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507), and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" by the Comptroller General of the United States, available through the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, and revised OMB Circular A-122, relocated to 2 CFR 230, "Cost Principles for Non-Profit Organizations".

The audit shall be conducted by a qualified independent auditor. An independent auditor is a state or local government auditor or a public accountant who meets the independence standards specified in above referenced regulatory document. If a grantee expends total direct or indirect federal assistance of \$500,000 or more per year, the grantee must obtain a financial and compliance audit made in accordance with OMB Circular A-110.

3. Eligible Expenses – Eligible expenses must be directly related to the activity for which funds were allocated.

- a. **Salaries** – Salaries will only be reimbursed up to the amount set forth in the approved budget. Accumulated savings due to late hiring or resignation may be transferred to other budget categories, but not from one position to the other. Transferring funds to other categories will require a budget revision and approval by the Department. No salary increases for any position, unless incorporated in the original budget, shall be made during the grant period. Exceptions may be made on a case by case basis.

Funded agencies must be in compliance with Labor laws pertaining to overtime and compensatory time ("comp" time). "Comp time" and overtime earned must be documented on timesheets and paystubs, and "comp time" balances must be maintained on timesheets along with other leave balances (e.g., sick leave and vacation). All salary source documentation including, but not limited to: timecards, payroll registers, and cancelled checks may be reviewed during site visits. Timecards must be signed by the employee and at least one supervisor.

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Vacation time may be included in the salary line item per each agency’s Personnel Policy Manual and in an amount up to the FTE% of that position assigned to the grant. Vacation time may be charged only as the employee uses the accumulated leave.

Documentation for salary expenses must be submitted completely and accurately each month. Source documentation for salary expenses includes:

- 1) **Time sheets** – Time sheets must clearly indicate the name of the employee and number of hours worked, the rate of pay, all deductions and contributions, and the payroll period. The time sheet must show the actual breakdown of hours spent on the Hayward contract (i.e., not an estimate or an average). Shared costs may be allocated in accordance with cost principals as regulated by applicable OMB Circulars including, but not limited to A-122.
- 2) **Leave balances** – For each employee who charges time, leave balances must be tracked and reported each month.
- 3) **Payroll checks** – Evidence that a payroll check has been issued and the expense has cleared is required. Copies of payroll registers and cancelled checks or a bank statement are the most common source documents. If an automated payroll service is used, that contract must be on file with the City of Hayward.
- 4) **Verification of employer contributions** – Actual verification of payment for employee deductions and employer contributions is required at the end of every quarter, even if the grant is not charged for employer contributions.

If the grant is charged for any salary-related expense the following forms are required:

Deduction/ Contributions	Appropriate Form	Payment Schedule
<u>Federal Taxes</u>		
F.I.C.A.	Federal Form 941 Employers Quarterly Tax Form	Quarterly
F.I.C.A.	Federal Form 8109 Withheld Income and F.I.C.A. Taxes	Monthly
<u>State Taxes</u>		
S.I.T., S.D.I. S.U.I.	DE3 Quarterly Contribution Return and Report of California Personal Income Tax Withheld	Quarterly

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S.I.T., S.D.I.	DE88 Return of Disability Insurance Monthly Contributions and Personal Income Tax Withheld
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b. Benefits/Employer Contributions – Benefits and employer contributions that can be reimbursed include:

- 1) Social Security (F.I.C.A.)
- 2) Medical, Dental, Vision, Retirement and other cafeteria benefits as provided by the agency and as authorized by the agency's Personnel Policies.
- 3) Workers Compensation (WCI)
- 4) State Unemployment Insurance (SUI) and other state-mandated taxes and withholdings

Agencies are required to make deposits of employer contributions each month or payroll period, unless their accounting is handled by a fiscal agent or payroll service that deposits these contributions on behalf of the agency. Pro-rated benefits may be reimbursed for all employees whose salaries are paid in full or in part by City funds.

Source documentation, including filed tax forms, invoices, and cancelled checks for employer contributions and paid benefits must be included in monthly reimbursement requests and may be reviewed during a site visit. Reimbursement for Worker's Compensation Insurance will be made upon actual submittal of policy statement and proof that the payment has cleared the bank.

c. Operational Costs – The following types of expenses are eligible only if they are incurred in direct support of a City-funded activity, or are involved in a City-approved allocation schedule that has been authorized by the agency's Board of Director's.

1) **Equipment Maintenance** – Equipment maintenance shall cover service contracts, parts, and service calls. Equipment eligible for maintenance reimbursement is field/yard equipment and/or office equipment such as typewriters, computers, copiers, etc.

2) **Building Office Space Maintenance** – This consists of garbage removal, janitorial supplies and services, etc.

3) **Utilities** – Eligible utilities for City fund allocation include:

a. **Electricity** – Only normal office use is covered unless express written permission has been granted from the Department.

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- b. **Gas** – Only normal heating uses may be charged unless prior approval is given.
- c. **Water** – Only costs accrued during normal office use may be charged unless prior approval has been granted.
- d. **Telephone** – Costs other than monthly service (e.g. installation charges) may not be charged to this grant unless the Department provides advance approval.

4) Services and Supplies

- a. **Consumable Supplies** – Costs must be directly attributable to the funded project, and include but are not limited to office supplies (paper, pens, envelopes, etc.), postage, printing/copies, and advertising. Food for clients is eligible.
- b. **Field Supplies**– Field supplies (including lumber, fencing, compost, fertilizer, etc.) used for implementation of the program are eligible.
- c. **Office Space Rental** – The cost of the floor space occupied by, and used for, the contract program services. Rent does not include rental of parking space. Required rent increases may be accommodated by a budget revision. Rental contracts must be available to the Department upon request.
- d. **Office Equipment** – The lease or purchase of office equipment such as computers, fax machines, and copy machines is eligible. Leases may be charged by actual use or in an amount not to exceed the City grant’s “share” of overall program, if included in the agency’s cost allocation plan.
- e. **Special Services** – All contract services such as fiscal sponsorship, fiscal audits, special studies, and approved consultants for accounting are eligible. Consultant expenses are generally ineligible; exceptions require written approval from the Department.
- f. **Dues, Publications, Periodicals, and Books**– Membership dues, publications, periodicals, and books that directly relate to program services are eligible.
- g. **Insurance** – The City requires all contractors to carry comprehensive general liability insurance with a single incident limit of \$1,000,000 per occurrence and to name the City as Additional Insured. Policy costs of required insurance may be charged in the grant, in an amount not to exceed the City grant’s pro-rata share of the overall program cost.

- 5) **Mileage** – Mileage for direct service-related trips is eligible; the cost of public transportation for direct service-related activities is eligible; and travel allowances for approved conferences, sessions, etc. with prior approval by the Department including parking fees and bridge tolls are eligible. Other trips directly related to the provision of services to qualified clients may be charged to the grant only with advance approval from the Department. Records of mileage

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must be documented and include record of location, purpose of trip, mileage, and cost reimbursed.

- 6) **Training and Education** – Supplies for training purposes, registration fees or training courses, and seminars provided by outside agencies that are directly related to the provision of contract services.

4. Monthly Reimbursement of Funds Expended on Eligible Activities

CDBG Public Service funds are reimbursed on a monthly basis. Reimbursement may only be for funds actually expended during the month's operation, typically up to 1/12th of the annual allocation. Exceptions may be made to accommodate budgeted one-time or short-term costs. Only expenses authorized by the contract budget will be reimbursed. Budget revisions may be approved on a case-by-case basis as described below.

- a. **Submitting Requests for Reimbursement** - Requests must be reviewed and authorized by the agency's Executive Director prior to submission to the Department. The Department will advise agencies of updates or revisions to forms and/or procedures (e.g. online, hard copy, etc.).

Source documents showing eligible expenses were accrued and paid, must be submitted with the reimbursement request. Source documents must be submitted in the same order as they appear on the request for reimbursement and in the agency's approved program budget (EXHIBIT A of the CDBG Contract). Source documents must be legible. If invoices and cancelled checks do not appear to reconcile, reimbursement may be delayed or withheld.

- b. **Reimbursement Process** – A reimbursement check will normally be issued within ten working days of submitting a complete and accurate reimbursement request. Monthly reimbursement requests should be submitted by the agency no later than the third week of each month for the month preceding (e.g. July's request would be submitted by the third week of August). **Agencies are required to submit the final reimbursement packet within 15 days after the end of the fiscal year.**

Any concerns in performance, monitoring, or accounting must be resolved or payment may be held until there is appropriate resolution. Reimbursement checks will be sent by mail.

- c. **Budget Revisions** – The original program budget is developed to cover the anticipated cost of carrying out the contracted program objectives. However, as a program proceeds, it may be necessary to revise the original budget. Budget revisions are

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required for all spending requests that vary from the original budget and approval from the Department.

Budget revision requests must include line item justification for each proposed adjustment. Justification must include why the change is necessary and whether the scope or objectives of the contract will be altered in any manner as a result of the budget revision. All revisions in the budget will become effective upon approval. Requests must be submitted at least two weeks in advance of the anticipated effective date.

- d. Contract Period** – The fiscal year for Hayward’s CDBG program is July 1st to June 30th. Costs of operation associated with a time period not covered by the contract will not be reimbursed.

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III. REMINDER CHECKLIST

- A. Submit all documents to satisfy the City's Minimum Contracting Standards prior to the beginning of the contract period. Please pay special attention to keeping the City's copy(ies) of insurance documents up-to-date.
- B. Submit changes to any documents used to meet the City's Minimum Contracting Standards within 30 calendar days of such change.
- C. Submit Quarterly Performance Reports in a timely fashion. Explain any variations in performance (as appropriate).
- D. Independent fiscal audits must be conducted annually, and submitted to the City including the management letter, as soon as the audit has been accepted by the agency's Board.
- E. If you have any questions, contact your staff liaison.

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Attachment A

CONTRACT BUDGET				
<i>AGENCY NAME HERE</i>				
FY 2011-12				
ACCOUNT		RATE/		
NUMBER	LINE ITEM	MONTH	MONTHS	TOTAL
9711	SALARIES		12	
	SUBTOTAL SALARIES:			
9720	BENEFITS		12	
9721	Social Security (FICA & Medicare) @ 7.65 %		12	
9722	Medical		12	
9723	Worker Compensation		12	
9724	State Unemployment (SUI)		12	
	SUBTOTAL BENEFITS			
	OPERATIONS			
9730	Maintenance		•	
9731	Service Contract - Garbage			
9732	Utilities			
9740	Sub-Grantee Service & Supplies		•	
9741	Consumable Supplies			
9742	Field Supplies			
9743	Rental			
9744	Special Services			
9745	Dues & Publications		•	
9746	Insurance		•	
9747	Mileage		•	
9748	Staff Training		•	
	SUBTOTAL OPERATIONS			
TOTAL BUDGET		0.00		0.00
<p>These line items are not "monthly" expenses but occur once yearly, quarterly, or upon need.</p>				
<p><i>NOTE: This boilerplate budget includes all line items., most programs do not use CDBG funds for each these expenses</i></p>				

**CITY OF HAYWARD
GROSS HOUSEHOLD INCOME GUIDELINES**

Instructions:

1. Source documentation (e.g. tax returns, social security statements, etc.) must be on file in order to determine that a household is low-income. Household size must be determined and tax documents must be submitted and retained in the client file.
2. Look down the left-hand column and pick the row which reflects the number of people living in the household.
3. Circle the income amount that the gross annual household income does not exceed.
4. Document the income level (i.e. extremely-low, very-low, or low) in the client file and applicable reporting records.

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FY 13-14 INCOME LIMITS**

Household Size	1	2	3	4	5	6	7	8
Extremely Low (30% LMI)	\$18,750	\$21,400	\$24,100	\$26,750	\$28,900	\$31,050	\$33,200	\$35,350
Very-Low (50% LMI)	\$31,250	\$35,700	\$40,150	\$44,600	\$48,200	\$51,750	\$55,350	\$58,900
Low (80% LMI)	\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750	\$79,900	\$85,050

LOW-INCOME CENSUS TRACT MAP

