



City of Springdale
Community Development Block Grant Program
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Community Development Block Grant Program

General Financial Information

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United States Department of Housing & Urban Development
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United States Department of Housing & Urban Development

1. The United States Department of Housing and Urban Development was created in 1965 to oversee United States policies for city and urban development.
2. The Department of Housing & Urban Development's Office of Community Planning and Development has oversight of federal housing and community development programs established by the Housing and Community Development Act of 1974 as amended, the Stewart McKinney-Vinto Act, and the Cranston-Gonzalez National Affordable Housing Act.
3. Among the programs authorized under these Acts is the Community Development Block Grant Program.
4. The primary goal of the Community Development Block Grant Program is to provide assistance to low-to-moderate-income persons and families.
5. The Department of Housing and Urban Development places low-to-moderate-income individuals and families into one of three categories, based on a metropolitan area or county's median income. If a family earns an annual wage:
 - at or below 80 percent of its area's median income, the Department of Housing & Urban Development labels the family "low-income";
 - at or below 50 percent of its area's median puts a family in the Department of Housing & Urban Development's "very low-income" category;
 - at or below 30 percent of the median prompts a classification of "extremely low-income";

Income Information and Limits

1. The cities of Fayetteville/Springdale/Rogers make up a Metropolitan Statistical Area.
2. Income Limits are provided by the Department of Housing & Urban Development and are updated and released annually.
3. To qualify as low-to-moderate-income, a person or households total Adjusted-Gross-Income must be 80% or less of the median adjusted for family size.
4. Adjusted-Gross-Income:
 - Person's Adjusted-Gross-Income: The gross income (before deductions) of a person over the age of 18; this includes wages, salaries, overtime, social

security benefits, veteran's benefits, retirements, pensions, child support, unemployment, alimony, commissions, interest and trust income, royalties and income from assets.

- Household's Adjusted-Gross-Income: The gross income (before deductions) of all members over the age of 18 and living in the home; this includes wages, salaries, overtime, social security benefits, veteran's benefits, retirements, pensions, child support, unemployment, alimony, commissions, interest and trust income, royalties and income from assets.
5. The City's Community Development Block Grant Program Income Limits are available on the City's web-site at: www.springdalear.gov
- select Departments
 - select Community Development
 - select Financial Information

Community Development Block Grant Program

1. The objective of the Community Development Block Grant Program is the preservation and development of viable communities by providing decent housing, a suitable living environment, economic development opportunities, public services and public facilities principally for low-to-moderate-income persons and families.
2. Funds authorized by Congress under the Community Development Block Grant Program are made available to entitlement cities according to a formula allocation.
3. The City of Springdale is classified as an Entitlement City and therefore receives the formula grant annually as participants in the program. However, the City must have an active three, four or five year Consolidated Plan and prepare and submit an Action Plan before the start of each new program year covered in the Consolidated Plan in order to receive the funds.
4. Entitlement Grants are awarded for specific Program Years.
5. The City's Community Development Block Grant Program Year is the 12 month period beginning July 1st in the fiscal year for which the appropriation is made and ending on June 30th the following calendar year.
 - Entitlement City: a City awarded a grant annually from the Department of Housing & Urban Development because the city meets the threshold of a formula allocation
 - Entitlement Grant: the annual grant allocation awarded to a City by the Department of Housing & Urban Development for a specific Program Year

- Program Year: the authorized operating period of a particular program. The term is usually used to distinguish the program's operating period from the federal government's fiscal year
6. To view Entitlement Grants awarded to the City, visit the City's web-site at: www.springdalear.gov
 - select Departments
 - select Community Development
 - select Financial Information

Planning and Community Development Director

1. The City's Planning & Community Development Director provides oversight of the Community Development Block Grant Program.
2. The Planning & Community Development Director is required to review and sign-off on all invoices and check request submitted for payment from the Community Development Block Grant Program.
3. The Planning & Community Development Director is also required to review and approve all funds scheduled to be drawdown from the federal treasury.

Community Development Block Grant Program Director

1. The City's Community Development Block Grant Program Director is responsible for administering the Community Development Block Grant Program.
2. The Program Director shall maintain the Community Development Block Grant Program budget, track and record all funds disbursed from the entitlement grant and other funds generated by the entitlement grant.

Community Development Block Grant Committee

1. The City has a Community Development Block Grant Committee consisting of four City council members. The committee is responsible to review a summary of all "Request for Funding" submitted.
2. The committee shall make the final decision on which agencies will be awarded funding for the program year and how much funding each agency will be awarded.

Community Development Block Grant Projects

Program Administration

1. Department of Housing & Urban Development regulations places a limit on how much of the program year grant may be allocated for General Program

Administration. The cap for Program Administration is 20% which means a maximum of 20% of the total program year grant allocation may be disbursed for Program Administration during any program year.

2. Planning and Administration is an in-house program which covers the staff cost for the general management and oversight of the Community Development Block Grant Program. Other expenses include but are not limited to display ads required to be placed in the newspaper, required travel and training, postage to send documents to the Department of Housing & Urban Development's Little Rock field office, and other related expenses involving the general administration of the program. Administration of the Community Development Block Grant Program is performed by the Community Development Block Grant Program Director.

Housing Services

1. Housing Services is an in-house program and is the City's primary objective. Expenses associated with this program include but are not limited to cost to administer the program including salaries, postage, vehicle and other eligible expenses necessary to carry out the program. This program also includes but is not limited to activities covering Housing Rehabilitation, Emergency Repairs; Lead-based Paint Testing, Self-Help, Volunteer and Painting activities. These activities are directed to qualified low-to-moderate-income homeowners of single-family owner-occupied dwellings within the Springdale City limits.
2. The Department of Housing & Urban Development regulations do not place a limit on how much of the program year grant may be allocated for the Housing Services Program.
3. The City does not award any agency or organization funds from the Community Development Block Grant Program for external Housing Improvement Programs.

Public Services

1. The Department of Housing & Urban Development regulations places a limit on how much of the annual program year entitlement grant may be allocated for Public Service Activities. The cap for Public Services is 15% of the annual grant allocation which means a maximum of 15% of the total program year grant amount may be disbursed for Public Service Activities during any program year.
2. It is the City's policy not to commit more than 10% of the total program year grant to all combined Public Service Activities during the program year.
3. Public services include:
 - Shelter for abused women and children
 - Health care and substance abuse services

- Activities to help prevent or address homelessness
 - Fair housing counseling
 - Job training
 - Services for the elderly, disabled, or disadvantaged youths, etc.
4. Non-profit agencies, including faith-based organizations may apply for funding from the City's Community Development Block Grant Program if they provide a public service to low-income individuals and/or families, including but not limited to child care, health care, recreation, education, homeless persons, senior citizens, etcetera.
 5. It is also City policy not to commit any Program Income the City receives to Public Service activities.
 6. It is also City policy not to award any sub-awards from the Community Development Block Grant Program in excess of \$24,000.00 to any individual agency for a public service activity.
 7. If the City provides an agency with a sub-award of \$25,000 or greater, the City shall submit a Federal Funding Accountability and Transparency Act sub-award report by the end of the month following the month in which the city awarded the sub-award. The sub-award information is required to be entered into the Federal Funding Accountability and Transparency Act Sub-award Reporting System. Legislation requires information on the sub-award be made available to the public via a single, searchable website: www.USASpending.gov
 8. Sub-award is a legal instrument to provide support for the performance of any portion of the substantive project or program for which a recipient received a grant or cooperative agreement award and that is awarded to an eligible sub-recipient. The term does not include procurement of property and services needed to carry out the project or program. A sub-award may be provided through any legal agreement, including an agreement that the recipient considers a contract. Reference: 2 Code of Federal Regulations part 170.
 9. Sub-recipient is a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A sub-recipient may also be a recipient of other federal awards directly from a federal awarding agency. Circular A-133: Audits of States, Local Governments and Non-profit Organizations.

Public Facilities

1. Public Facility projects include but are not limited to improvement projects such as:

- Acquisition, installation, construction, and rehabilitation of infrastructure such as water/sewer lines, streets, and sidewalks
 - Acquisition, construction or rehabilitation of neighborhood facilities, and facilities for persons with special needs such as homeless shelters, group homes and halfway houses, etcetera.
2. This program also includes
 - Parks and playgrounds
 - Upgrades and improvements to public facilities that provide services to low-to-moderate-income individuals and families
 - Facilities that provide services include but not limited to child care, health care, recreation, education, homeless persons, senior citizens
 3. Non-profits including faith-based organizations may apply for funding from the City's Community Development Block Grant Program if their building is in Springdale and provides a public service to low-to-moderate-income Springdale residents.
 4. The City places a \$100,000 limit per program year that it may allocate and disburse for Public Facility projects which means a maximum of \$100,000 may be allocated toward public facility projects during any single program year.

Integrated Disbursement & Information System

1. To enable the Department of Housing & Urban Development to better manage the disbursement of funds and to track on a real-time basis the progress being made by grantees in serving low-to-moderate income persons and families, the Integrated Disbursement & Information System was developed.
2. The City is required to use the Integrated Disbursement & Information System to disburse funds from the federal treasury and to report to the Department of Housing & Urban Development on the City's program accomplishments, including the characteristics of persons served through program activities.
3. In the Integrated Disbursement & Information System funds are not disbursed from the allocation on a "lump sum" basis. Funds are disbursed from each activity that the City carries out to meet program goals. The City withdraws funds from the federal treasury monthly.

4. The Integrated Disbursement & Information System uses a Project/Activity relationship. A project is linked to a specific program. The entire grant allocation is allocated among four projects.
5. There are four projects eligible to be funded from the annual Community Development Block Grant allocation. However, the City does not require funds be committed to each of the four projects.
6. The City only requires that Program Administration, Housing Services and Public Services be funded each program year. Projects are listed in the Action Plan and describe the proposed use of program funds. In the Integrated Disbursement & Information System, projects are used to link activities back to the Action Plan.
7. Projects in IDIS are:
 - Program Administration
 - Housing Services
 - Public Services
 - Public Facilities
8. Each activity is associated with a "Project". All activities carried-out by the City will be linked to one of the four projects.
9. An activity is a specific activity where the grant funds are committed to carry out that specific activity. Activities are listed in the Consolidated Plan and Action Plan and describe the use of program funds. For example: Housing Services is the Project. Under this project, activities are Housing Administration, Lead-based Paint, Paint Program, Housing Rehabilitation and Emergency Repairs. Each Housing Rehabilitation and Emergency Repair Project is required to setup separately because each activity has a different project address. On average, there are 30 separate activities listed under the Project known as Housing Services during any Program Year.
10. The Community Development Block Grant Program has a \$100,000 line-of-credit with the City which means the Community Development Block Grant Program Director processes and records all invoices and check requests submitted for payment to the City's Financial Department. The City then pays the weekly Community Development Block Grant Program's expenses. On the last Tuesday of each month the Community Development Block Grant Program Director logs into the Integrated Disbursement & Information System and prepares a drawdown voucher to reimburse the City for the total monthly Community Development Block Grant Program expenses.

11. The Planning & Community Development Director is required to log-in to the Integrated Disbursement & Information System to approve all drawdown vouchers. The funds drawn-down are wired directly to an account that has been setup by the City at a local bank. The City's financial director then has the funds moved to the appropriate account it used to pay the monthly Community Development Block Grant Program expenses.

Receivable Income

1. Entitlement Grant is the annual grant allocation awarded to the City by the Department of Housing & Urban Development.
2. Program Income is income generated (received) because of the entitlement grant; rebates received from natural gas and electrical service providers because the Housing Services Program had energy-star rated fixtures and equipment installed in qualified single-family owner-occupied homes; reimbursement from homeowners who sell their home after it was rehabbed with entitlement grant funds, single-family dwellings the City owned and sold after the dwelling was rehabbed with entitlement grant funds.
3. Homeowner Funds are funds received from homeowner(s) that are required to pay a portion of any maintenance type work required to be performed on their home, upgrades from standard grade material to a higher grade material and any additional work the homeowners want to have performed while a contractor is under a contract.
4. Contributions are funds donated by banks, businesses, contractors, homeowners and other outside agencies, including funds earned from the recycling of materials.

Request for Funding

1. Applications for Funding will be made available to agencies in January annually and may be downloaded from the City's web-site at: www.springdalear.gov
 - select Departments
 - select Community Development
 - select Public Services – for public service activities
 - select Public Facilities – for public facility projects
2. Agencies that request funds from the Community Development Block Grant Program must return their completed application and all required documentation on or before the deadline specified on the Application for Funding.
3. The City will provide technical assistance to recognized groups that represent persons of low-and-moderate-income that request such assistance in developing a proposal for funding assistance under the Consolidated Plan and Action Plan. A

bilingual (English/Spanish) speaking person will also be made available to non-English speaking persons.

4. Community Development Block Grant funds generally may not be used for religious activities or provided to primarily religious entities for activities. Program funds may be used for eligible public services to be provided through a primarily religious entity, provided the religious entity enters into an agreement with the City stating it will not discriminate on the basis of religion and it will not provide any sort of religious services or other types of influential activities.
5. Non-profit agencies, including faith-based organizations, may apply for funding from the Community Development Block Grant Program if they provide a public service to low-income individuals and/or families, including but not limited to child care, health care, recreation, education, homeless persons, shelter for abused women and children, substance abuse services, fair housing counseling, job training and services for senior citizens, handicapped, or disadvantaged youths, etcetera.
6. The City's public service funding priorities are agencies that:
 - Provide a service to veterans and their families
 - Provide a service to the homeless or aid in the prevention of homelessness
 - Are located in Springdale and provide a public service to mainly Springdale residents
 - Serves multi-city or multi-county clientele. These agencies must provide documentation of the number of clients that have been served within the past 12 months and their place of residence. Program funds will be awarded based upon the percentage of clients who reside in Springdale. In the case of activities that have multiple funding sources, program funds will not be released until all funding to complete the activity is secured.
7. The Community Development Block Grant Program Director is required to review each Application for Funding he receives and provide a summary of all applications he received to the Planning Director and Community Development Block Grant Committee.
8. All agencies that submitted an Application for Funding will be notified by the Community Development Block Grant Program Director on the status of their application at the completion of the review. The City cannot award Community Development Block Grant Program funds to any agency until the Department of Housing & Urban Development notifies the City its Action Plan has been accepted and an agreement is signed between the Department of Housing & Urban Development and the City of Springdale.

9. The City cannot award any program funds to any agency until the City has received its program year allocation from the Department of Housing and Urban Development. Funding award (sub-recipient) agreements will be prepared by the Community Development Block Grant Program Director and will be effective on the first day of the program year. However, funds are not provided to the sub-recipient until all documents have been signed by the Mayor, City Clerk, City Attorney and the authorized representative of the agency receiving the funds.
10. The first priority will be organizations that provide a service to veterans and/or the homeless or aid in the prevention of homelessness.
11. Agencies selected to receive program funds are required to spend the funds during the program year the funds were awarded to the agency.

Sub-recipients

1. Agencies awarded funds from the Community Development Block Grant Program are required to have a Duns Number (Data Universal Numbering System). The Data Universal Numbering System, abbreviated as DUNS or D-U-N-S, is a proprietary system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a "DUNS number" to a single business entity.
2. Agencies selected to receive Community Development Block Grant Program funds are known as sub-recipients and are required to enter into an agreement with the City before receiving their approved funding allocation from the entitlement grant.
 - Sub-recipients must be prepared to begin their proposed activity on or about July 1st of the program year.
 - Sub-recipients are required to spend the funds awarded to them during the program year the funds are awarded to the sub-recipient.
 - Monthly or quarterly programmatic reports with supporting documentation are required.
 - Monitoring visits of sub-recipients will be performed by the Community Development Block Grant Program Director to ensure compliance with appropriate rules and regulations.
 - Staff from the Department of Housing & Urban Development's Little Rock field office may perform a monitoring visit to ensure compliance with appropriate rules and regulations.

- Income must be documented and verified for each client or household assisted with Community Development Block Grant Program funds.
- Public Service and Public Facility project records must be maintained for 5 years from the completion of the project.

Financial Reports

1. The Department of Housing & Urban Development and/or the City of Springdale requires different types of financial reports be prepared and submitted at different times of the year.
 - a. Monthly: Community Development Block Grant Program Income Receipt: This report is prepared in the Department of Housing & Urban Development's Integrated Disbursement & Information System Program. The report identifies the type of funds received, the name of the firm providing the funds, the reason the Community Development Block Grant Program received the funds, the activity number and name, and the dollar amount the Program received and the amount the Community Development Block Grant Program Director allocated to each individual activity. The report is required to be submitted at the end of each month to the City's Finance Department.
 - b. Monthly: Community Development Block Grant Program Income Drawdown Report: This report is prepared in the Department of Housing & Urban Development's Integrated Disbursement & Information System Program. The report identifies by activity number and name the amount of Program Income funds the Community Development Block Grant Program Director allocated to each individual activity. The report is required to be submitted at the end of each month to the City's Finance Department.
 - c. Monthly: Community Development Block Grant Entitlement Funds Drawdown Report: This report is prepared in the Department of Housing & Urban Development's Integrated Disbursement & Information System Program. The report identifies by activity number and name the amount of funds drawn from each individual activity from the federal treasury. The report is required to be submitted monthly to the City's Finance Department.
 - d. Quarterly: Federal Financial Report SF-425 must be submitted at the end of each quarter. The report identifies the total amount of Entitlement Grant funds the City withdrew from the federal treasury during the quarter. This report also identifies the total amount of Program Income the Community Development Block Grant Program received and disbursed during the quarter. This report is required to be signed by the Mayor before it is submitted to the Department of Housing & Urban Development's Little Rock field office. The quarterly reports are prepared based on the calendar year:

- January 1 - March 31
 - April 1 – June 30
 - July 1 – September 30
 - October 1 – December 31
- e. Semi-Annual: Semi-Annual Labor Standards Enforcement Report – Local Contracting Agencies (Department of Housing & Urban Development Programs). HUD Form 4710 must be submitted semi-annually for the federal government's fiscal year. The report identifies the total amount of Entitlement Grant funds the City disbursed to contractors for public facility projects. This report must be prepared and submitted even if there were no contracts to report. The semi-annual reports are prepared for the periods:
- October 1 – March 31
 - April 1 – September 30
- f. Annually: Contract and Subcontract Activity HUD Form 2516 must be submitted annually for the federal government's fiscal year (October 1 – September 30). The report identifies all contract and subcontract activities funded with Entitlement Grant funds of \$10,000 or more during the reporting period. This report must be prepared and submitted to the Department of Housing & Urban Development's Little Rock field office, within 30 days after the reporting period ends.
- g. Annually: HUD Form PR 26 – Community Development Block Grant Program Financial Summary must be submitted no later than 90 days after the program year ends. This report is prepared in the Department of Housing & Urban Development's Integrated Disbursement & Information System Program. The report must be attached to the Consolidated Annual Performance & Evaluation Report when the report is submitted on or about September 30th annually. The report identifies the total amount of Entitlement Grant Funds and Program Income the Community Development Block Grant Program disbursed during the program year.
- h. Annually: Federal Funds Budget: This report is required to be updated each time the City receives and disburses Program Income and each time the City withdraws Community Development Block Grant Program Entitlement funds from the federal treasury.
- i. Annually: Private Funds Budget: This report is required to be updated each time the City receives and disburses private funds during the program year.
2. The Community Development Block Grant Program Director shall place federal financial reports on the City's web site for residents to review and comment on. www.springdalear.gov
- select Departments
 - select Community Development
 - select Financial Information

