



CDBG-DR/MIT

SUBRECIPIENT MANUAL



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

April 27, 2026

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PUERTO RICO DEPARTMENT OF HOUSING
 CDBG-DR/MIT PROGRAM
SUBRECIPIENT MANUAL:
APPLICABLE TO ALL PRDOH CDBG-DR AND CDBG-MIT PROGRAMS
 VERSION CONTROL

VERSION NUMBER	DATE REVISED	DESCRIPTION OF REVISIONS
1	November 03, 2021	Original Manual
2	June 01, 2022	Revisions on topics on the selection of subrecipients, mandatory clauses in contracts, fixed assets, and communications guide, among other minor edits.
3	June 08, 2023	Added topics about CDBG-MIT Programs description, Closeout Policy, Procurement Guide, OSHA Policy, Consequential Framework, Recapture of Funds, among other minor edits throughout the document. Changes are highlighted in gray.
4	March 6, 2024	Revision on topics about CDBG-DR programs descriptions -earthquakes, Tropical Storm Isaías, electrical grid- and other minor correction throughout the document. Changes are highlighted in gray. Formatting revisions were incorporated throughout the document. Appendix II and III were consolidated and the Subrecipient Close Out Checklist was added in a new Appendix.
5	April 27, 2026	Formatting changes were incorporated throughout the document. In addition, changes were made to the Training Initiatives and Technical Assistance section. The Talent LMS Core Curriculum was updated. Appendices were also updated.

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1. CDBG-DR/MIT OVERVIEW & PURPOSE

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SUBRECIPIENT RESPONSIBILITIES



PRDOH RESPONSIBILITIES

1.1 What is the Purpose of this Manual?

This Manual is intended to provide the Subrecipient of Community Development Block Grant-Disaster Recovery/Mitigation (**CDBG-DR/MIT**) funds, with guidance on grant management and compliance practices. It also aims to ensure you adhere to applicable federal, state, and Puerto Rico Department of Housing (**PRDOH**) CDBG-DR/MIT grants rules. PRDOH provides Subrecipients multi-modal support for the proper implementation of the program activities. This Manual also serves to aid in furthering the Subrecipiente understanding of applicable requirements to the use of federal funds for the delivery of CDBG-DR/MIT programs and activities. This Manual is a living document that shall be amended from time to time to incorporate additional guidance applicable to current and future allocations.

The Subrecipient Management Policy¹ (**SM Policy**) serves as a complement to this Manual, which sets forth direction for the administration and oversight of programs funded by PRDOH, as carried out or performed by a non-federal entity in accordance with their respective Subrecipient Agreement (**SRA**). The SM Policy establishes Subrecipient responsibilities, performance expectations as they relate to the applicable SRA, and essential elements for proper Program operation applicable to the key management areas.

1.2 What are the CDBG-DR and the CDBG-MIT Programs?

On September 17, 2018, the U.S. Department of Housing and Urban Development (**HUD**) and the Government of Puerto Rico signed a Grant Agreement. This agreement designates Puerto Rico as the recipient of CDBG-DR funds. PRDOH was the agency designated to act as the Grantee.² These block grant funds have been allocated for the long-term recovery from Hurricanes Irma and María, which impacted the archipelago of Puerto Rico in September 2017. To date, Puerto Rico is the Grantee with the largest allocation of CDBG-DR funds in the history of the United States. Thus, the adequate expenditure of these funds is critical, and oversight responsibilities are heightened.

¹ See Subrecipient Management Policy in English at <https://recuperacion.pr.gov/en/resources/policias/general-policias/> and Spanish <https://recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

² CDBG-DR/MIT grants are subject to Title I of the HCD Act, (42 U.S.C. § 5301 *et seq.*) which governs all CDBG programs. Grantees are also subject to the CDBG regulations at 24 C.F.R. Part 570, unless modified by waivers and alternative requirements included in the applicable Federal Register Notice. CDBG-DR/MIT grantees must also comply with the applicable requirements of 2 C.F.R. Part 200, which provides the Federal government's guidance on administrative requirements, cost principles, and audit requirements.

Over the past several years, Puerto Rico has received additional CDBG-DR allocations from HUD to improve the power grid and to address recovery efforts following the 2019-2020 seismic events, Tropical Storm Isaiás, and Hurricane Fiona. It also received an allocation to address current and future risk mitigation through a CDBG-MIT grant.

Mitigation activities are those that increase the resilience to disasters and reduce or eliminate the long-term risk of life loss, injury, damage, loss of property, suffering, and adversity by reducing the impact of future disasters.³ HUD established the CDBG-MIT funding rules for Puerto Rico through the Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, and Federal Register Vol. 85, No. 17 (January 27, 2020), 85 FR 4676.

Pursuant to the CDBG-MIT Federal Register Notices, mitigation activities must meet the following requirements:

1. Must comply with HUD's definition and requirements for mitigation activities.
2. Must consider current and future risks as identified in the Mitigation Needs Assessment of the most impacted and distressed (**MID**) areas.
3. Must be a CDBG eligible activity under Title I of the Housing and Community Development Act of 1974 (**HCDA**) or eligible pursuant to an alternative exemption or requirement.
4. Must meet a National Objective, including additional criteria for mitigation activities and Covered Projects, as defined by HUD.

Eligible programmatic activities are **planning, housing, infrastructure, and economic development**. Activities funded under the CDBG-MIT programs are aimed at fostering mitigation and resilience to disasters identified and prioritized through the Mitigation Needs Assessment. This can include floods, hurricanes or tropical storms, earthquakes, landslides, and other natural or man-made disasters. These funds must be fully depleted within twelve (12) years of HUD's signing of the grant agreement. Fifty percent (50%) of the funds must be exhausted within the first six (6) years.

As the HUD CDBG-DR/MIT grants are based on the same CDBG regulatory framework, administrative guidance in the Manual applies to both, unless otherwise specified.

These additional grant allocations to Puerto Rico are also administered by PRDOH and shall include program Subrecipients. Additional guidance on special conditions associated with the administration of these funds shall be amended into this guidance in the future. All allocations are published in the Federal Register which can be located

³ 84 FR 45838, 45840.

at the links below:

FEDERAL REGISTER	LINK TO FEDERAL REGISTER
HURRICANES IRMA AND MARIA RECOVERY	
Federal Register Notice Vol. 83, No. 28 (Friday, February 9, 2018), 83 FR 5844	83 FR 5844
Federal Register Notice Vol. 83, No. 157 (Tuesday, August 14, 2018), 83 FR 40314	83 FR 40314
Federal Register Notice Vol. 85, No. 17 (Monday, January 27, 2020), 85 FR 4681	85 FR 4681
MITIGATION FUNDS	
Federal Register Notice Vol. 84, No. 169 (Friday, August 30, 2019), 84 FR 45838	84 FR 45838
Federal Register Notice Vol. 85, No. 17 (Monday, January 27, 2020), 85 FR 4676	85 FR 4676
EARTHQUAKES AND ISAÍAS RECOVERY	
Federal Register Notice Vol. 86, No. 3 (Wednesday, January 6, 2021), 86 FR 569	86 FR 569
Federal Register Notice Vol. 87, No. 23 (Thursday, February 3, 2022), 87 FR 6364	87 FR 6364
ELECTRICAL POWER SYSTEM	
Federal Register Notice Vol. 86, No. 117 (Tuesday, June 22, 2021), 86 FR 32681	86 FR 32681
HURICANE FIONA & 2022 FLOODS	
Federal Register Notice Vol. 88, No. 96 (Thursday, May 18, 2023), 88 FR 32046	88 FR 32046




1.2.1 What Assistance Programs are Currently Available For Hurricane Recovery in Puerto Rico?






The CDBG-DR Action Plan establishes the PRDOH CDBG-DR program hurricane recovery portfolio and includes the respective allocation and use of funds to address Puerto Rico's recovery from the impact of Hurricanes Irma and María. As per HUD, PRDOH as a state Grantee can carry out program activities through suited Subrecipients, as defined in the Code of Federal Regulations at 24 C.F.R. § 570.201(o). However, PRDOH as Grantee and steward of federal funds, is responsible for ensuring Subrecipient compliance and performance when managing federal grant awards. Noncompliance can result in the recapture of federal assistance funds. As such, in an effort to comply with oversight requirements and ensure Subrecipients carry out activities adequately and efficiently, PRDOH desires to provide additional insight, direction and instruction on Subrecipient responsibilities and expectations.






There is a total of twenty-one **(21)** assistance programs within the PRDOH CDBG-DR portfolio. Subrecipients of each program are responsible for knowing the parameters of assistance as explained in the Program Guidelines and for maintaining awareness on any programmatic updates. This includes the release of revised Program Guidelines, which may occur from time to time to incorporate compliance revisions that result from evolving federal, state, or administrative policy.

To access the current CDBG-DR hurricane recovery Action Plan in English visit <https://recuperacion.pr.gov/en/action-plans/action-plan-cdbg-dr/>, and in Spanish at <https://recuperacion.pr.gov/planes-de-accion/plan-de-accion-cdbg-dr/>. You can also access current Program Guidelines, which may change from time to time, by visiting the following page: <https://recuperacion.pr.gov/en/resources/policies/program-policies/>.




PROGRAM	DESCRIPTION
PLANNING PROGRAMS	

 <p>PUERTO RICO GEOSPATIAL FRAMEWORK PROGRAM (GEOFRAME)</p>	<p style="text-align: center;">Puerto Rico Geospatial Infrastructure Program (GeoFrame)</p> <p>This Program responds to existing land use, land management, and spatial data restrictions of the Government of Puerto Rico. Through the Program, Housing will support Puerto Rico's growth toward a Spatially Enabled Society (SES) by producing a high-quality, geo-referenced database and building an infrastructure composed of human resources, policies, programs, computers, and systems. This infrastructure will allow citizens to access and use spatial data to enable evidence-based decision-making.</p>
 <p>Whole Community RESILIENCE PLANNING</p>	<p style="text-align: center;">Whole Community Resilience Planning Program (WCRP)</p> <p>This Program will seek to create recovery solutions, increasing individual and collective preparation for future events, ensuring greater resilience at community and national level. The process will culminate in the preparation of community resilience plans that support community-identified goals and guide the development of more resilient communities in Puerto Rico's seventy-eight (78) municipalities.</p>
 <p>Municipal Recovery PLANNING PROGRAM</p>	<p style="text-align: center;">Municipal Recovery Planning Program (MRP)</p> <p>This Program allocates funding to municipalities to carry out planning activities that address conditions created or exacerbated by Hurricanes Irma and/or Maria. Planning activities will conclude in Municipal Recovery Plans serving as guidance to developing more resilient communities within the seventy-eight (78) Municipalities.</p>

	<p style="text-align: center;">Vacant Property Recovery (VPR)</p> <p>This Program will provide support to the Municipalities to ensure the abandoned property problem goes beyond its characterization and inventory and is addressed and converted into resilience opportunities for Puerto Rico's communities through the implementation of code enforcement activities, including the identification, notification, and declaration of public nuisances, in accordance with the applicable codes and regulations.</p>
<p>HOUSING PROGRAMS</p>	
	<p style="text-align: center;">Home Repair, Reconstruction or Relocation Program (R3)</p> <p>This Program will provide assistance to eligible homeowners to repair damaged homes or rebuild substantially damaged homes in non-hazard areas. Eligible homeowners with damaged homes in a hazard zone will be offered relocation assistance.</p>
	<p style="text-align: center;">Title Clearance Program (TC)</p> <p>This Program will legitimize homeowners' titles in hurricane-impacted areas, providing sustainability and safety to residents.</p>
	<p style="text-align: center;">Rental Assistance Program (RA)</p> <p>This Program provides temporary rental assistance to residents in hurricane-impacted areas that are homeless or at risk of becoming homeless.</p>
	<p style="text-align: center;">Social Interest Housing Program (SIH)</p> <p>This Program will create housing opportunities for populations with special needs, those that are homeless, or have domestic violence issues.</p>

 <p>HOUSING COUNSELING PROGRAM</p>	<p style="text-align: center;">Housing Counseling Program (HC)</p> <p>This Program will provide recovering residents complementary educational services to promote understanding of housing and finance options.</p>
 <p>HOME BUYER ASSISTANCE PROGRAM</p>	<p style="text-align: center;">Home Buyer Assistance Program (HBA)</p> <p>This Program will provide eligible applicants with homeownership assistance to help them cover the difference between the amount of the first mortgage the buyer can obtain from a lender and the sale price of the home. The Program will be aimed at crucial recovery staff.</p>
 <p>COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM</p>	<p style="text-align: center;">Community Energy and Water Resilience Installations Program (CEWRI)</p> <p>This Program will assist homeowners that were assisted through the R3 Program, by providing energy and water efficiency solutions to promote resilience. The above, by installing Photovoltaic (PV) systems with battery backup for critical loads and water storage systems.</p>
 <p>CDBG-DR GAP TO LOW INCOME HOUSING TAX CREDITS PROGRAM LIHTC</p>	<p style="text-align: center;">Low Income Housing Tax Credits (LIHTC) CDBG-DR Gap Program</p> <p>This Program will provide funds using the CDBG-DR grant for properties that are being developed with low-income housing tax credits.</p>
 <p>BLUE ROOF SURVEY PROGRAM</p>	<p style="text-align: center;">Blue Roof Survey Program</p> <p>This Program was created to quantify the number and location of households in Puerto Rico which remain with blue roofs or the households whose structures had a blue roof at one time and continue to have severe hurricane damage as verified through a field survey.</p>

ECONOMIC DEVELOPMENT PROGRAMS

	<p style="text-align: center;">Workforce Training Program (WFT)</p> <p>This Program will help unemployed and underemployed residents find employment by providing job training in areas of recovery-related skills.</p>
	<p style="text-align: center;">Economic Development Investment Portfolio for Growth Program (IPG)</p> <p>This Program will establish project financing with significant effects that enable the island's long-term economic growth and sustainability. It will also be a source of funding for projects aligned with the economic recovery plan that the central government sees as key drivers of the new Puerto Rican economy.</p>
	<p style="text-align: center;">Small Business Incubator and Accelerator Program (SBIA)</p> <p>This Program supports the growth and success of start-ups and businesses in the early stages of operation.</p>
	<p style="text-align: center;">Re-grow Puerto Rico Urban and Rural Agriculture (ReGrow)</p> <p>This Program promotes and increases food security throughout the island. It will improve and expand agricultural production related to economic revitalization and activity development.</p>
	<p style="text-align: center;">Tourism and Business Marketing Program (TBM)</p> <p>This Program develops a comprehensive marketing effort to promote off-island, that the area is open for business and tourism.</p>

 <p>SMALL BUSINESS FINANCING PROGRAM</p>	<p style="text-align: center;">Small Business Financing Program (SBF)</p> <p>This Program offers recovery grants for small businesses affected by Hurricanes Irma and/or Maria, as well as for new businesses created from hurricane damage to existing businesses.</p>
INFRASTRUCTURE PROGRAMS	
 <p>NON-FEDERAL MATCH PROGRAM</p>	<p style="text-align: center;">Non-Federal Match Program (NFM)</p> <p>This Program will provide the local requirements to match federal FEMA funding for identified projects while alleviating the financial burden in Puerto Rico.</p>
MULTISECTORAL PROGRAMS	
 <p>CITY REVITALIZATION PROGRAM</p>	<p style="text-align: center;">City Revitalization Program (CRP)</p> <p>This Program will establish a fund for municipalities to enable a variety of critical recovery activities aimed at reinvigorating urban centers and key community corridors to focus investments, reduce sprawl, and create a symbiotic environment to nurture complementary investments from the private sector.</p>

1.2.2 What Assistance Programs are or will be available for Mitigation in Puerto Rico?

The CDBG-MIT Action Plan establishes programs for a broad range of activities to support mitigation projects and reduce the potential for loss and destruction from future events. The CDBG-MIT funds were awarded as a result of the extensive damage caused by Irma and María. However, these funds can only be used for mitigation activities and needs beyond hurricane posed threats.

CDBG-MIT programs are not restricted to mitigation of a single threat, confined to a municipal boundary, or restricted to the hardening of specific lifeline infrastructure. The purpose of these programs is to reward the projects serving the greatest mitigation need for the greatest number of people, for the most efficient cost. Housing, Infrastructure, and Multi-Sector programs shall be released in phases. These phases promote the availability of critical funds to projects founded in planning and design while allowing for community-centric partnerships and organizations to develop around needs-based solutions and find capacity building resources in the planning program portfolio.

CDBG-MIT funded programs shall serve the needs of people by allowing scaled investments that make critical mitigation dollars accessible to all communities: municipal, regional, or Island-wide. These Programs, as defined in the Action Plan,⁴ are designed based on precedent research, extensive stakeholder engagement, and an understanding of the planning and capacity building needs of Puerto Rican institutions and citizens. There is a total of nine **(9)** assistance programs under the CDBG-MIT portfolio.

PROGRAM	DESCRIPTION
INFRASTRUCTURE PROGRAMS	

⁴ The CDBG-MIT Action Plan is available in English and Spanish at <https://recuperacion.pr.gov/en/cdbg-mit/> and <https://recuperacion.pr.gov/cdbg-mit/>.



Infrastructure Mitigation Program (IMP)

This Program addresses mitigation needs by identifying risks and developing solutions that create resilient infrastructure in Puerto Rico (PR); mitigates identified risk to critical lifeline infrastructure assets (e.g., energy, transportation, communications, and water and wastewater).

Includes set asides of \$1 billion for HMGP Matching funds and another \$1B for healthcare facilities.

MULTI-SECTOR PROGRAMS



Community Energy and Water Resilience Installations Program (CEWRI)

This Program has been developed to strengthen alternative and community systems for water and energy, with the understanding that both the Energy and Water and Wastewater lifeline sectors are central to the stability of Puerto Rican communities.

This program is composed of 3 subprograms.

- Home Energy and Water Resilience Improvements
- Community Installations
- Incentive Program



Economic Development Investment Portfolio for Growth – Lifeline Mitigation Program (IPG-MIT)

This Program is aligned with the CDBG-DR IPG Program but is focused on identifying funding for private lifeline infrastructure to support risk-based, job-creating mitigation needs.

The private sector will be able to participate in this program since it is understood that private industry holds a large majority of critical and secondary infrastructure assets including communication towers, hospitals and other medical facilities, private transportation infrastructure, modern energy solutions that take advantage of Puerto Rico's natural resources, and private utilities.

PLANNING PROGRAMS



**RISK AND ASSET DATA
 COLLECTION PROGRAM**

Risk and Asset Data Collection Program (RAD)

This Program will generate geospatial layers of risk, hazards, and resources intended to supplement the cadastral and land use information generated under the CDBG-DR GeoFrame Program.

This program will increase the ability of citizens, industry, and government leaders to make data-driven decisions based on a comprehensive and up-to-date knowledge of risks, hazards, and resources in PR.



**MITIGATION AND ADAPTATION
 POLICY SUPPORT PROGRAM**

Mitigation and Adaptation Policy Support Program (MAPS)

This Program draws on information acquired through the CDBG-DR planning portfolio. This includes information related to public policy needs across the Island gathered through the stakeholder engagement process for both this Action Plan and the CDBG-DR Planning Programs.

The goal of the program is to improve the effectiveness of mitigation policies, programs, plans, and projects in the CDBG investment portfolio and other capital investments for resilience.




**PLANNING AND CAPACITY
 BUILDING PROGRAM**

Planning and Capacity Building Program (PCB)

This Program helps to create, strengthen, and formalize regional consortia, complete mitigation plans, among other activities. The program will offer technical assistance by creating partnerships with federal agencies, national associations, and other organizations to provide capacity building and education services.

HOUSING PROGRAMS

 <p>SINGLE FAMILY HOUSING MITIGATION PROGRAM</p>	<p>Single-Family Housing Mitigation Program (SFM)</p> <p>This Program addresses the need to relocate families located in high-risk areas on a voluntary basis, rebuild or repair homes that have been impacted by a recent event and are under immediate threat, and elevate properties to reduce the risk of loss of life and property.</p>
 <p>SOCIAL INTEREST HOUSING PROGRAM</p>	<p>Social Interest Housing Mitigation Program (SIH-MIT)</p> <p>This Program is expected to increase resilience in affordable and safe housing for vulnerable populations and protected classes and expand affordable housing opportunities that are resilient to multiple risks.</p>
 <p>MULTI-SECTOR COMMUNITY MITIGATION PROGRAM</p>	<p>Multi-Sector Community Mitigation Program (MSC)</p> <p>This Program promotes the relocation or reconstruction of communities to reduce the risks faced by their residents and allows them to prosper in a less risky environment.</p>

1.2.3 Are there more grants available?

Yes! HUD has allocated \$221,050,000 in CDBG-DR funds to the Government of Puerto Rico in response to the 2019-2020 Earthquakes (DR-4473-PR) and the 2020 Tropical Storm Isaias (DR-4560- PR), through Federal Register Notices 86 FR 569 and 87 FR 6364.⁵

Additionally, to address challenges related to electric power, on June 22, 2021, HUD allocated \$1.932 billion to Puerto Rico. These funds are designated for energy reliability and resilience activities under the CDBG-DR Program (Energy).

1.2.4 Action Plan – Earthquakes and Tropical Storm Isaías


On December 28, 2019, an increase in seismic activity triggered a sequence of earthquakes culminating in a magnitude 4.7 tremor. This event shook a population that had never before experienced a seismic phenomenon of such magnitude. Later, on January 7, 2020, a major earthquake with a magnitude of 6.4 marked the onset of

⁵ The CDBG-DR Action Plan in Response to the 2019-2020 Earthquakes and Tropical Storm Isaías is available at: [Earthquakes and Storm Isaías Action Plan - CDBG-DR/MT Recovery Funds](#)

a sequence of tremors that struck the southwest region of Puerto Rico. This event displaced thousands of Puerto Ricans from their homes and caused significant damage to both residential structures and critical infrastructure on the Island.

Between July 29 and July 31, 2020, Tropical Storm Isaiás passed just south of Puerto Rico, affecting areas in the south and southwest with tropical force gusts and significant rainfall. Rainfall accumulations ranged from four (4) to eight (8) inches, with some areas in eastern Puerto Rico reporting over ten (10) inches. Numerous reports of impassable primary and secondary roads and multiple landslides affecting local roads were recorded.

Consequently, the Government of Puerto Rico received \$221,050,000 in funds through PRDOH to support long-term recovery efforts following disasters, DR-4473-PR and DR-4560-PR. These CDBG-DR funds are designed to address remaining needs after exhausting other available forms of assistance. The Action Plan in Response to the 2019-2020 Earthquakes and 2020 Tropical Storm Isaiás outlines the allocation of funds to address unmet needs in the municipalities of Guánica, Ponce, Yauco, Guayanilla, Lajas, Peñuelas, and Mayagüez. The statutes governing CDBG-DR funds for disaster recovery impose additional requirements and authorized HUD to modify rules applying to the annual CDBG program, enhancing flexibility, and enabling a faster recovery.

PROGRAM	DESCRIPTION
	<p style="text-align: center;">ReSURge Program (R3)</p> <p>The ReSURge Program is administered by ConSur and PRDOH. Its purpose is to provide decent, safe, and sanitary housing to citizens whose properties have been substantially affected by the 2019-2020 earthquakes in the southern part of the Island. Beneficiaries must have low to moderate incomes, and the property must be located in one of the six municipalities covered by this program: Guánica, Guayanilla, Lajas, Peñuelas, Ponce, or Yauco.</p>

1.2.5 Electrical Grid


As per 86 FR 32681, 32692, improvements to the electric power system are defined as the acquisition, construction, reconstruction, rehabilitation, or installation of facilities, improvements, or other components undertaken to extend, upgrade, and enhance the

profitability, reliability, efficiency, sustainability, or long-term financial viability of the electric power system. This encompasses activities aimed at increasing the resilience of the electric power system to future disasters and addressing the impacts of climate change.

The CDBG-DR Action Plan for the Electrical Systems Enhancements consists of two (2) programs: the Energy Grid Rehabilitation and Reconstruction Cost Share Cost Program (**ER1**) and the Electrical Power Reliability and Resilience Program (**ER2**).

The ER1 Program aims to cover the non-federal cost portion of FEMA Public Assistance (PA) allocation for the island-wide project of the Puerto Rico Electric Power Authority (AEE) under FEMA's Accelerated Award Strategy (FAASt). Additionally, this program aids in constructing a reliable and resilient electric system that operates more efficiently for communities and addresses unmet needs related to electric service.

The ER2 Program focuses on financing projects not expected to receive funds from other federal or local sources. This program aids applicants and subrecipients to enhance the reliability and resilience of the electric power system. The program will address community needs by providing funds for projects that are currently not anticipated to receive funding from other sources, whether local or federal.

PROGRAM	DESCRIPTION
 <p data-bbox="228 1577 581 1686">Energy Grid Rehabilitation and Reconstruction Cost Share Cost Program (ER1)</p>	<p data-bbox="634 1257 1411 1329">Energy Grid Rehabilitation and Reconstruction Cost Share Cost Program (ER1)</p> <p data-bbox="651 1377 1398 1608">ER1 Program will benefit Puerto Rican communities by financing projects that enhance the reliability, affordability, and resilience of the electric power system. This program focuses on the development of a better electrical grid for all residents of Puerto Rico, as approved in FEMA's project strategy.</p>



Electrical Power Reliability and Resilience Program (ER2)

Electrical Power Reliability and Resilience Program (ER2)

The goal of the ER2 Program is to enhance the reliability, affordability, and resilience of the electric power system through the development and interconnection of projects that qualify as expansions and improvements to the electrical grid. Efforts are focused on creating and decentralizing sources of generation, distribution, and energy storage to minimize service interruptions and advance the goals defined by the Puerto Rico Public Energy Law, Number 17-2019. This law sets the Island on a path toward forty percent (40%) and one hundred percent (100%) renewable energy generation by the years 2025 and 2050, respectively.


1.2.6 Fiona Hurricane and 2022 Floods

Our island experienced difficult times between February 4 and 6, 2022, due to a storm that resulted in unprecedented flooding and landslides. As a result, February ended up being the rainiest month on record for the Island. This situation was aggravated by Hurricane Fiona on September 17, 2022, which caused flooding and storm surges that mainly affected the south and east of Puerto Rico.

PRDOH, with a firm commitment to our communities, faces the challenge of recovery after the adversities caused by the February 2022 floods and the effects of Hurricane Fiona. With this allocation, we are moving toward a comprehensive reconstruction that goes beyond repair: it seeks to strengthen and safeguard our people in the face of future challenges.

Initial efforts targeted 23 municipalities identified by HUD as the most affected, including places such as Añasco, Arecibo, and Barranquitas. In December 2023, HUD extended its support to 25 additional municipalities, bringing the total number of municipalities that will receive our assistance and attention to 48.

PROGRAM	DESCRIPTION
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 <p>COMMUNITY FLOOD RECOVERY & MITIGATION PROGRAM</p>	<p style="text-align: center;">Community Flood Recovery & Mitigation Program (CFRMP)</p> <p>The Program aims to incorporate mitigation activities within infrastructure recovery projects to prevent damage, boost resilience, and ensure the long-term protection of vulnerable communities from future disasters.</p>
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1.3 Eligible Activities under the CDBG-DR/MIT Programs

1.3.1 What are Eligible Activities?

In general, HUD establishes, in accordance with applicable federal regulation, the eligible and ineligible activities for which the use of CDBG-DR/MIT funds are allowed or disallowed. It is important to know that PRDOH, as Grantee, can undertake a wide range of program activities and is responsible for determining the eligible activities for which CDBG-DR/MIT funds assigned to Puerto Rico can be used. Subrecipients may then only perform the activities eligible under the Program for which they have an executed SRA.

These activities are defined per program in the PRDOH CDBG-DR or CDBG-MIT Action Plans.⁶ Program Guidelines further provide which activities are eligible under your specific PRDOH CDBG-DR or CDBG-MIT Program.⁷ However, your SRA contains the details of the activities for which you have been engaged as a Subrecipient.

It is important to bear in mind that CDBG-DR/MIT funds must be used, as applicable, for necessary expenses related to disaster relief, disaster risk mitigation, reduce future loss, long-term recovery, and restoration of infrastructure, housing, and economic revitalization.

Each CDBG-DR activity must:

- Be CDBG-DR eligible (in accordance with regulations and waivers)⁸:

⁶ <https://recuperacion.pr.gov/en/action-plans/>.

⁷ <https://recuperacion.pr.gov/en/resources/policies/program-policies/>

⁸ Eligible activities are described in 24 C.F.R. Part 570 Subpart C and discussed in Guide to National Objectives and Eligible Activities for State CDBG Programs, <https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>. Any eligibility waivers provided, are found in the different Federal Register Notices that involve CDBG-DR/MIT

- Be disaster-related and clearly demonstrate a connection to address a direct or indirect impact of the disaster in a Presidentially declared area.
- Meet a National Objective and show how it is met. Please see the National Objectives section for more information on documenting this.

Each CDBG-MIT activity, as established in 84 FR 45838, must:

- Be CDBG-eligible or otherwise eligible pursuant to a waiver or alternative requirement.
- Meet a National Objective, including additional criteria for mitigation activities and Covered Projects⁹, and show how it is met. Please refer to the National Objectives section for more information on how to document compliance with national objectives.
- Meet the definition of mitigation activities.
- Address the current and future risks as identified in the Mitigation Needs Assessment in the MID areas. **Note: Puerto Rico is a unique grantee in that the entire Island is a MID area as designated in the Federal Register Vol. 85, No. 17 (January 27, 2020), 85 FR 4676, 4677.**

1.3.2 What are Ineligible Activities?

For sound management of Programs, guidance is also included on activities that are not eligible under CDBG-DR/MIT programs.

HUD guidance affirms an activity is ineligible if it meets one of the following criteria:



- ➔ It is not located in a Presidentially declared disaster area;
- ➔ Does not respond to a disaster-related impact for CDBG- DR or an identified mitigation need for CDBG-MIT;
- ➔ Is explicitly prohibited by the appropriation law;

assigned funds, <https://recuperacion.pr.gov/en/resources/federal-register/>.

⁹ As established in 84 FR 45838, a Covered Project is defined as an infrastructure project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds (regardless of source (CDBG-DR, CDBG-National Disaster Resilience (NDR), CDBG-MIT, or CDBG state)).

Is ineligible under CDBG-DR/MIT regulations (and a waiver has not been granted); or

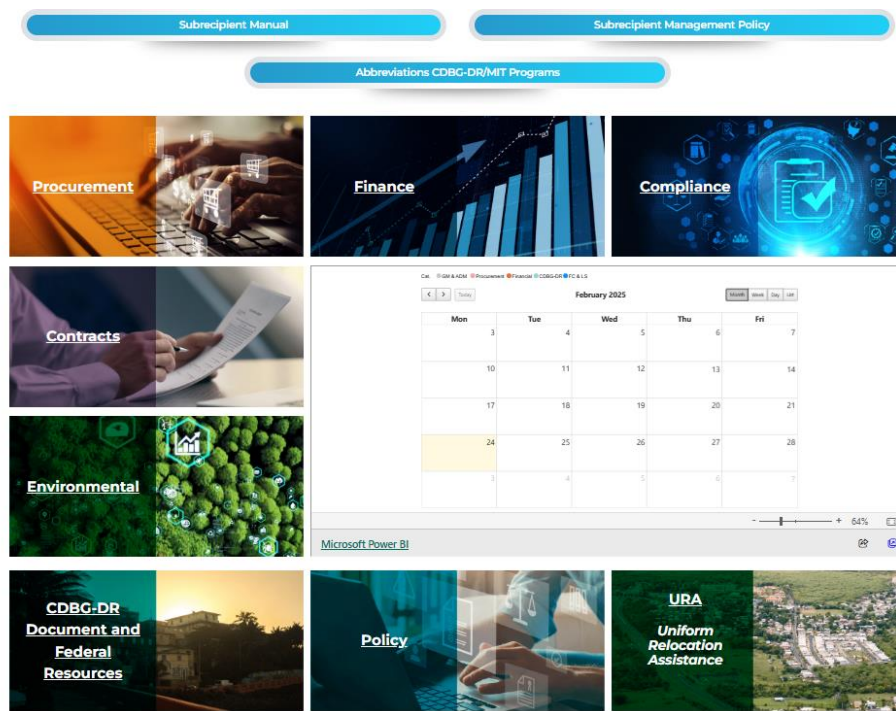
➔ Fails to meet a national objective.

It is important to note that the above does not substitute the terms for ineligible use of funds or ineligible activities found in Program Guidelines, SRA, Action Plan, and CDBG-DR/MIT regulations, which you are responsible for reviewing to ensure activities are within your scope.

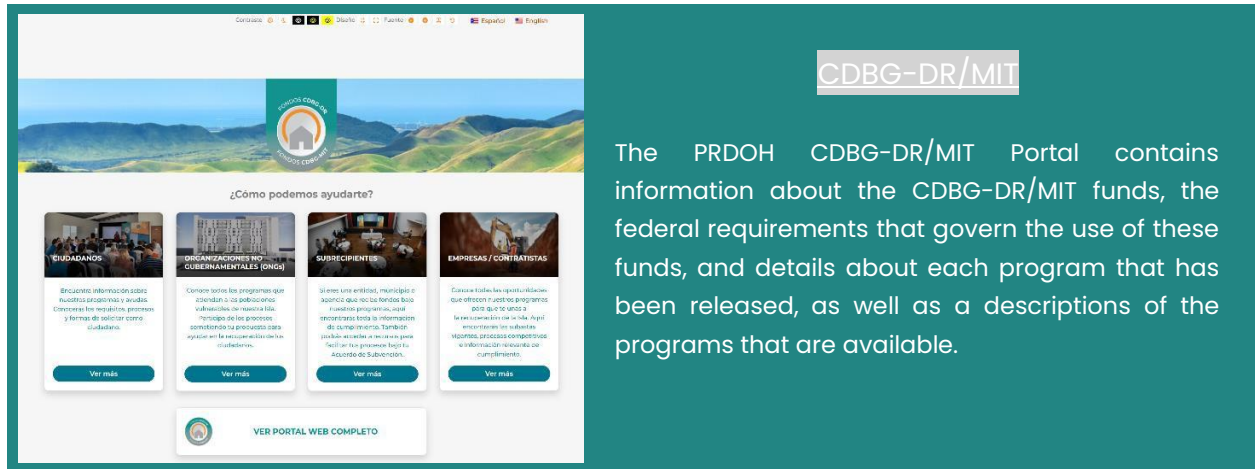
Should you as a Subrecipient encounter any confusion about whether an activity is eligible, you must immediately contact the Program POC. **Remember that if you perform ineligible activities or activities outside of the scope of work contained in your SRA, you will not be able to request reimbursement associated with such activities!** Upon review of your invoice, your Program POC will notify your organization of any expenditures in ineligible activities and such costs will not be approved and reimbursed.

1.4 Where can I Find Additional Grant Management Resources?

Program information is maintained on the PRDOH public website, where general and program-specific information can be accessed at any time. Please visit: <https://recuperacion.pr.gov/en/resources/>



Additional resources available to Subrecipients include the following:



The PRDOH CDBG-DR/MIT Portal contains information about the CDBG-DR/MIT funds, the federal requirements that govern the use of these funds, and details about each program that has been released, as well as a descriptions of the programs that are available.

1.5 Subrecipients

A Subrecipient may be a public or private nonprofit agency, authority, or organization, or a for-profit entity authorized under 24 C.F.R. §570.201(o) which receives CDBG-DR/MIT funds from PRDOH to undertake eligible activities. The definition of a CDBG Subrecipient can be found at 24 C.F.R. § 570.500(c). It is further defined at 2 C.F.R. § 200.1 as “an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award.” Unless otherwise noted, the term “**Subrecipient**” is used throughout this Manual to denote organizations that have executed an SRA with the PRDOH to carry out defined eligible activities and who are or will be receiving CDBG-DR/MIT funds as a result thereof. 2 C.F.R § 200.331. **This Manual does not apply to entities hired by PRDOH and defined as Contractors by the PRDOH.**¹⁰

1.5.1 Who is a subrecipient?



A SUBRECIPIENT

GOVERNMENTAL ENTITIES
 such as government agencies and municipalities

NOT A SUBRECIPIENT

CONTRACTOR OF COMPETITIVELY PROCURED SERVICES

¹⁰ See 2 C.F.R. § 200.331.

PRIVATE NON-PROFITS ORGANIZATIONS

PRIVATE FOR-PROFITS ORGANIZATIONS

only as authorized under 24 C.F.R. § 570.201(o).

DEVELOPER (either a non-profit or for-profit entity)

PRIVATELY- OR PUBLICLY HELD FOR-PROFIT ENTITY RECEIVING FUNDS AS A BENEFICIARY UNDER A PROGRAM.

Note: Community Based Development Organizations (CBDOs) under 24 C.F.R. § 570.204 might also be eligible Subrecipients when carrying out special activities such as economic development or new housing construction. If PRDOH explicitly designates that CBDO as a Subrecipient, this Manual shall apply.

1.6 How is a Subrecipient Selected?

When administering a CDBG-DR/MIT Program, HUD permits Grantees to make program administrative decisions regarding the method of distribution of funds for carrying out their disaster recovery activities. Such method of distribution could be done directly by the Grantee or through selecting Subrecipients.

PRDOH may use any reasonable criteria to select a Subrecipient, including but not limited to:¹¹

- Issuing a Request for Qualifications;
- Issuing a Notice of Funding Availability (**NOFA**);
- Issuing an application process;
- Selecting a qualified non-profit organization serving a specific geography;
- Selecting a Unit of General Local Government;
- Selecting a Governmental Agency or Organization;
- Utilize a Direct Selection method; or
- Other method(s), as applicable.

The following models are examples of methods PRDOH may use to select a Subrecipient. These are not meant to be all-inclusive.¹²

1.6.1 Formal Application

Depending on the selection criteria, prospective Subrecipients may be required to submit formal applications to PRDOH. These applications shall describe proposed activities, implementation schedule, budget, staffing structure, related experience, and assure compliance with program regulations. PRDOH shall then evaluate the

¹¹ See, Subrecipient Management Policy, English or Spanish version at: <https://recuperacion.pr.gov/download/politicapara-el-manejo-de-subrecipientes/> and <https://recuperacion.pr.gov/en/download/subrecipient-management-policy/>.

¹² For a full description, see Managing CDBG A Guidebook for CDBG Grantees on Subrecipient Oversight, Chapter 2 <https://www.hudexchange.info/resource/6577/managing-cdbg-guidebook-for-cdbg-grantees-on-subrecipient-oversight/>.

applications according to the selection criteria, CDBG- DR/MIT Programs priorities, and the Action Plans. A formal application process may be followed when:

- You have identified a specific need with defined goals or outcomes;
- Project activities are numerous and/or complex;
- There is a pool of potential applicants with varying degrees of expertise and capacity;
- The cost and level of potential program failure are high; and
- There are limited funds and many competing needs and/or approaches for addressing these needs.¹³

1.6.2 Direct Selection

PRDOH has the discretion to directly identify and select a prospective Subrecipient to carry out the desired CDBG-DR/MIT program/activities and approach them directly to determine their interest and suitability for the work. Direct selection may be followed when:

- An entity is uniquely qualified due to having sole jurisdiction over project or complete control/ownership over a project site;
- There is reasonable basis to conclude that it will result in increased efficiencies and produce quicker results, thereby more quickly addressing the unmet need; and
- It can be reasonably concluded that the minimum needs of the Program project can only be satisfied by the selected Subrecipient.

1.6.3 Can a Subrecipient Directly Select Another Subrecipient?

There might be instances where a Subrecipient may have a contractual relationship with another Subrecipient to provide certain services or activities on behalf of the grantee and to ensure the success of the program. That is, a Subrecipient may receive CDBG-DR/MIT funds from a recipient (grantee) as well as from another Subrecipient to undertake activities eligible for such assistance. "Therefore, it might be concluded that a Subrecipient may be sub awarded CDBG-DR/MIT funds from another Subrecipient. Moreover, such funds might be used for eligible activities".¹⁴

As stated in 2 C.F.R. § 200.331(a), a Subrecipient receives a subaward for the purpose of carrying out a portion of a Federal award. Characteristics that support the

¹³ *Id.*

¹⁴ Capacity of a PRDOH's Subrecipient to perform a direct selection of a subrecipient Memorandum.

classification of the entity as a Subrecipient include when the entity:

- (1) Determines who is eligible to receive what Federal assistance;
- (2) Has its performance measured in relation to whether objectives of a Federal program were met;
- (3) Has responsibility for programmatic decision making;
- (4) Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- (5) In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity (grantee).

1.7 Subrecipient Agreement

Once the entity is selected and its capacity has been evaluated as a potential subrecipient, the SRA is drafted and signed. The SRA is the basis for the contractual obligation between PRDOH and the Subrecipient to fund and implement the awarded activity or program as required by 24 C.F.R. § 570.503. The agreement denotes responsibilities attributable to each party and outlines in exact measure the scope of services provided under the agreement, methods of accountability, and a schedule for payment. Execution of the agreement binds the Subrecipient for a specified period of time (term) and may be revised only upon written authorization from PRDOH. PRDOH utilizes a standardized SRA template, which may be amended from time to time.

The executed SRA between your organization and the PRDOH contains a comprehensive statement of the general rules applicable to your management and implementation of the program, scope of work, timelines, and performance goals, objectives, budgets, staffing, and special conditions, if any, applicable to the specific services or project to be provided by your entity. Further, the agreement specifies the reports and documentation required for verification of compliance.

It is important to note that this Manual is supplemental to the SRA and applicable federal and state regulations, standards, policies, and procedures. You, as a recipient of federal grant funds, must follow and understand basic Program regulations applicable to the management and financial systems for CDBG-DR/MT found in Code of Federal Regulations Title 24 (24 C.F.R.) and Title 2 (2 C.F.R.). This document has the purpose of assisting your



organization in complying with the provisions of the SRA. However, because the contents of this Manual represent the minimum requirements regarding your compliance with federal regulations and the SRA, it is not meant to be used as the single document that rules the administration of the SRA. Further, this document is meant to be used as a supplement to the SRA and does not replace the SRA provision.

To review your SRA, visit the following link:
<https://recuperacion.pr.gov/en/resources/contracts/written-agreements/>

1.7.1 What happens once you have signed your SRA?

Once you have signed your SRA with PRDOH, the Program Area will contact your organization's representative to schedule an "on-boarding" to the CDBG-DR or CDBG-MIT Program, where performance goals, expected outcomes, and work plans will be reviewed and discussed. This, in collaboration with the SM Division, to guide you on aspects of compliance with policies and procedures, mandatory training, among others.

Your organization will also be contacted by:

- The PRDOH Finance Division to discuss matters pertaining to invoice and reimbursement requests.¹⁵



- The PRDOH Procurement Division to discuss matters pertaining to the procurement of services or goods compliant with the 2 C.F.R. § 200.318 – § 200.327. Also, to provide guidance on courtesy reviews of your procurement processes, which can be requested through the Grant

Compliance Portal (**GCP**)

- The Federal Compliance area will also reach out to your compliance coordinator or manager to provide you detailed guidance on completing quarterly reports and documents related to compliance with Section 3, Minority and Women Business Owned Enterprises and Davis Bacon after you have completed the initial onboarding training.

Take note of any additional time-based conditions such as training and signed paperwork. Please also note that these documents are subject to change based on

¹⁵ For technical Assistance with Vendor Café platform, send an email to Finance Team, finanzas_cdbgdr@vivienda.pr.gov copying Andrea Larrauri – alarrauri@vivienda.pr.gov

PRDOH's need or discretion.

1.7.2 Which Mandatory Clauses are Applicable to Subrecipient Agreements?

The PRDOH CDBG-DR/MIT Programs shall include in all contracts the required clauses stated in Federal Laws and Regulations. The contracts will also include all the clauses required by state law, regulations, and other government agencies. Every PRDOH CDBG-DR/MIT Programs contract will comply with all the formalities required for the validity of contracts made with CDBG-DR funds.

The Subrecipient must comply with all applicable federal, state, and local codes, regulations, statutes, ordinances, and laws applicable to the administration of CDBG-DR/MIT funds. Failure to comply may result in forfeiture of CDBG-DR/MIT funds provided to the Subrecipient as part of the SRA.

To learn about all the clauses applicable to contracts and agreements, consult the <https://recuperacion.pr.gov/en/download/contract-and-subrecipient-agreement-manual/>

1.7.3 I need to do an SRA amendment, how should I do it?

If you need programmatic and/or budget changes, you will need to contact your Program's POC for review and approval. Your SRA contains specific provisions on what can lead or cause an amendment. However, any changes in the SRA dispositions or its exhibits will trigger an SRA amendment process.

Below is a step-by-step explanation of the process that Housing has adopted to carry out an SRA amendment.

STEPS:

1st

Prior to the submission of an amendment request, PRDOH POC will oversee the delivery and initiate the communication process.

2nd

Present the amendment request and necessary supporting documentation to your Program POC for review and approval. The amendment request should include the following: Condition the Subrecipient is requesting to amend, the reason why the Subrecipient is seeking to amend it, and the timeline implications of the requested change. Specify the component that the Subrecipient is requesting to modify i.e. budget, the scope of work or timeline.

3rd

After any necessary communications and requests for further information, as may be necessary, your Program POC will determine whether to proceed with the requested amendment. In this case, the POC will prepare and send a Memo to the Deputy Secretary Disaster Recovery (DSDR).

4th

DSDR receives and reviews the Memo and amendment request. If the DSDR approves the amendment request, the DSDR signs the memo and sends the request with the memo attached to PRDOH Secretary for final approval. PRDOH Secretary approves the amendment request and sends it to PRDOH Legal Division for the execution of the SRA Amendment.

Once you have provided any necessary information and/or documents and reviewed the SRA amendment documents, the Program POC will process the SRA amendment and you will subsequently receive these documents from the PRDOH Legal Division for execution.

Things to remember. Any change needs to be formally approved in writing by the PRDOH and the rest of the SRA remains in full force and effect unless amended.



1

CDBG OVERVIEW & PURPOSE

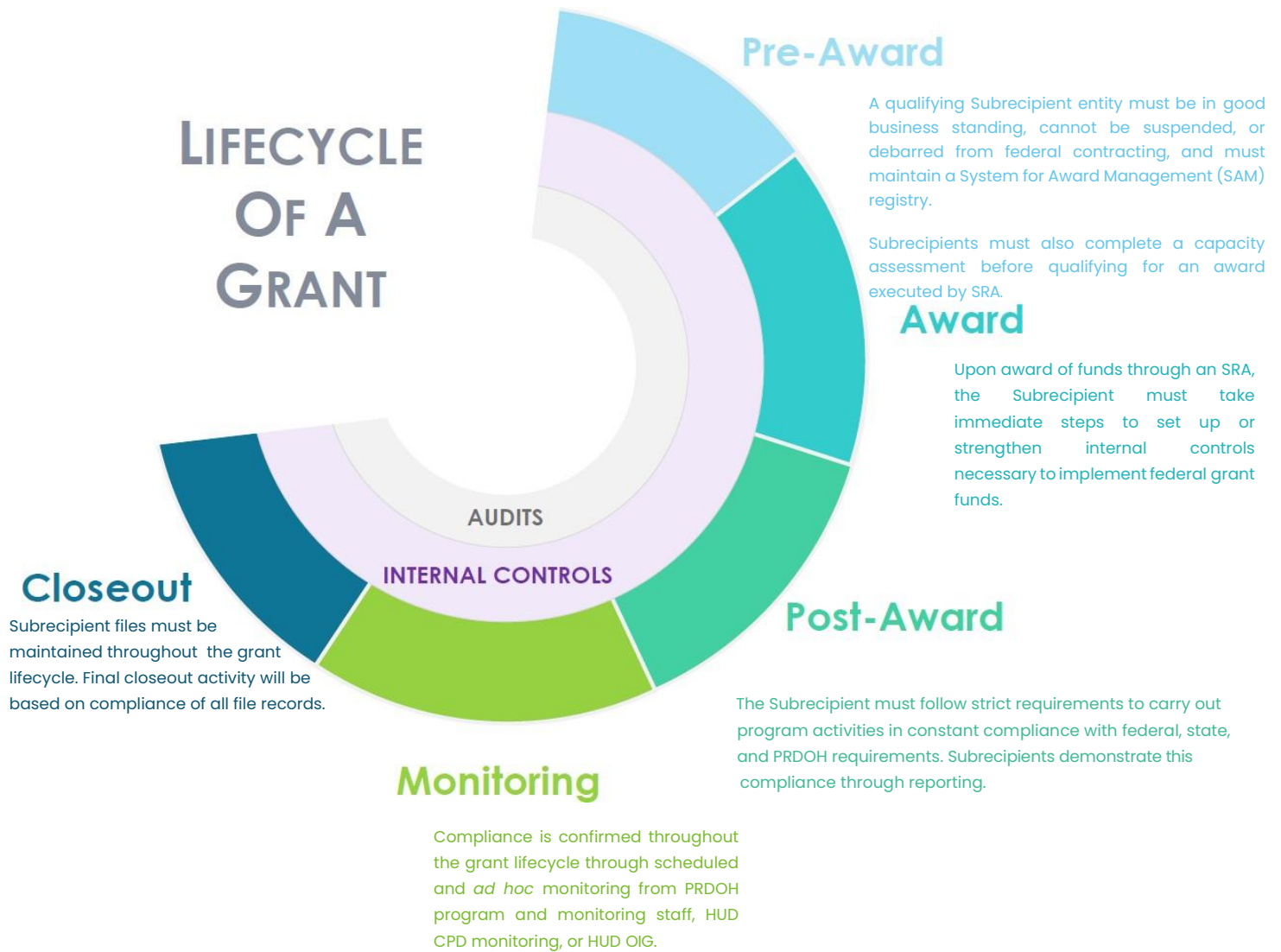
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2. SUBRECIPIENT RESPONSIBILITIES

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2.1 Subrecipient Responsibilities

Your entity's responsibilities begin before signing a SRA and carry through the lifecycle of the grant until closeout.



As a Subrecipient of the CDBG-DR or CDBG-MIT Program, your responsibilities might include but are not limited to the following:

- Complying with all the terms and conditions included in the SRA, which may include:

GENERAL ADMINISTRATION

- Activities related to the performance of the Scope of Work;
- Refraining from performing ineligible activities as outlined and incurring in ineligible costs associated thereto;
- Meeting National Objectives;
- Maintain adequate staff, notify PRDOH of any changes or obtain prior written consent, depending on Program; and
- Meeting all established timeframes and performance goals.

PERFORMANCE, MONITORING AND REPORTING

- Provide any and all required reports and/or information for monitoring reviews and assessments for your program area or operational areas (e.g. Legal, Finance, Monitoring, Procurement, Federal Compliance);
- Submit regular monthly progress reports to your programmatic area, other reports (e.g. quarterly reports for Federal Compliance), or CDBG-DR/MIT related compliance documents.

BUDGET

- Adequately complete outlined activities in your SRA Scope of Work in accordance with the Budget.
- Invoice indirect costs only as allowed; and
- Reverse assets as applicable.

PAYMENTS

Submit to PRDOH requests for reimbursements of activities under the SRA and consistent with the approved Budget and Scope of Work on a monthly basis or with the frequency agreed and authorized by PRDOH.

ADDITIONAL

Federal Statutes, Regulations, terms and conditions of the federal award and additional PRDOH Requirements, as included in the SRA and in this document.

The above is only a summary of SRA specific terms and conditions and does not in any way substitute or supersede the contents of the SRA and your organization's responsibilities thereunder, including but not limited to:



PRDOH has written this Manual to assist you in complying with the requirements associated with CDBG-DR/MIT funding. It is critically important that you, as a Subrecipient, understand that failure to comply with any of the above may result in PRDOH initiating processes related to paying back the CDBG-DR/MIT funding provided to you under an SRA, and consequently in the termination of the SRA.

2.2 What Policies and Procedures do I need to establish in compliance with CDBG-DR/MIT?

Within the terms of an SRA, Subrecipients are required to follow general CDBG-DR/MIT Programs policies, as well as establish specific policies and procedures that will govern how they will conduct and manage CDBG-DR/MIT activities. These policies and procedures are part of your internal controls. Pursuant to your SRA, you are responsible for meeting those requirements in the manner and within the time period set forth therein.

Questions & Answers

As a Subrecipient, must your organization adopt or create (amend your own) specific CDBG-DR/MIT Programs policies and procedures?

Yes. Your SRA states that the Subrecipient shall comply with all general and program-specific CDBG-DR/MT policies and procedures. Additionally, your SRA contains special conditions stating that your organization must develop, update, or adopt policies and procedures within the specified period.

For example, your organization must adopt the Cross-Cutting Guidelines because the requirements stated in these guidelines apply to all the programs described in PRDOH's Action Plan and all subsequent amendments. Accordingly, subrecipients must strictly follow the requirements contained in that document.

What are the CDBG-DR/MIT Program Policies that your organization, as a Subrecipient, should understand, adopt, or create/amend?

A list of CDBG-DR Program adopted and implemented policies, as well as policies amended to include CDBG-MIT Programs, can be found in the CDBG-DR/MT General Policies List, attached to this manual as **Appendix I**.

The list provides information on which policy you must adopt, and which may be used as reference to update your current policies and procedures or create your policies and procedures. This list may be amended from time to time to ensure that new policies and edits to previously adopted policies are included.

Where can your organization easily access the policies?

PRDOH maintains its Policies in English and Spanish on the CDBG-DR/MT webpage at <https://recuperacion.pr.gov/en/resources/policies/generalpolicies/> and <https://recuperacion.pr.gov/recursos/politicas/politicasygenerales/>.

What happens once your organization has developed, updated, or adopted the required policies and procedures?

Your organization must complete a Self-Certification Checklist for Policies and Procedures Related to CDBG-DR/MT Programs to ensure compliance with minimum requirements. This self-certification is available on the GCP platform. When you log in to your account, you will be able to locate the Self-Certification of Policies and Procedures form in your entity profile.

The Programmatic POC or Subrecipient Management Team from the Disaster Recovery Office will inform you if your organization needs to provide additional information regarding the policies.

The Monitoring Division from the Disaster Recovery Office will conduct periodic visits to all Subrecipients to ensure that the self-

certified policies comply with PRDOH CDBG-DR/MIT Programs requirements.

2.2.1 What are the Main Regulations Applicable to the Use of Grant Funds and Carrying out Grant Activities?

As Subrecipient, you signed an SRA and agreed to follow all applicable federal regulations in the use of CDBG-DR/MIT funds. Your organization's internal controls are key to supporting continuous compliance with these requirements. As with all federal grants, general grant management requirements can be found at 2 C.F.R. 200.

However, there are several cross-cutting regulatory and administrative policies that must also be taken into consideration, such as the Civil Rights Act, National Environmental Protection Agency (**NEPA**) policy, and Equal Employment Opportunity, among others. It is important to consult your SRA and the Subrecipient Management Policy for more details on specific regulations.

For your convenience, we have included some of the key federal regulations pertaining to the CDBG-DR/MIT administrative requirements under **Appendix II**.

2.3 Capacity Building and Technical Assistance Initiatives

The overall goal of PRDOH capacity building and technical assistance initiatives is to establish standards and develop methods that will help subrecipients understand the federal administrative requirements associated with CDBG-DR and CDBG-MIT funds. Through this understanding, subrecipients will be able to improve their performance with respect to program objectives, allowable activities, and implementation procedures.

PRDOH will provide these initiatives to subrecipients in the form of courses through the Core Curriculum included in the Learning Management System (**LMS**) and through webinars, in-person workshops, and specialized technical assistance. However, it is recommended that subrecipients complete the Core Curriculum in LMS portal prior to receiving additional training initiatives.

2.3.1 What is the Core Curriculum in the LMS Portal?

As part of the requirements included in the SRA, the completion of the Core Curriculum is also required, which can be found in the LMS Portal. This curriculum contains five (5) modules with multiple specialized courses created to provide the entity with a basic

knowledge of CDBG-DR/MIT upon contract execution. These modules are categorized as follows: CDBG-DR/MIT, Federal Compliance and Labor Standards, Financial Management, Grant Management and Administration Principles and Procurement. Subrecipients will be assigned courses according to their Programs and language of preference (all courses are available in both English and Spanish). Please note that all modules in Talent LMS are self-paced and can be completed at the user's pace, within the required time frame outlined in the SRA.

Visit our [Training Catalog](#) to learn about all the courses offered by the Talent LMS platform.

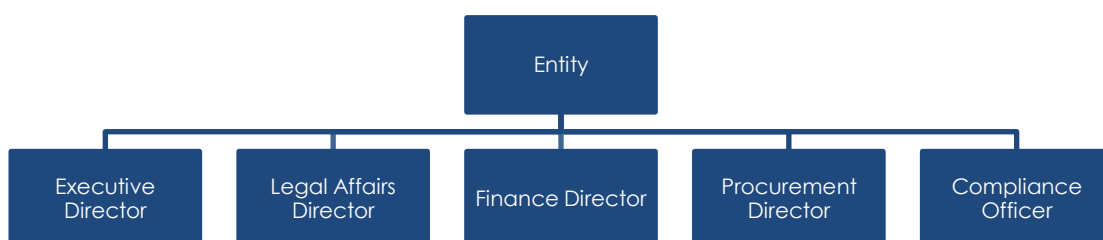
2.3.2 Who should complete the Core Curriculum in the Entity?

As part of the entity's administration of the CDBG-DR and CDBG-MIT funds, it is imperative that those who perform direct functions with the funds and actively participate in the Program complete the Core Curriculum through the portal.

For these purposes, subrecipients must identify five (5) members of the entity who have been assigned functions and responsibilities compatible with the following positions: Executive Director, Legal Affairs Director, Finance Director, Procurement Director, and Compliance Officer. Subrecipients of these areas and/or authorized representatives may be considered key personnel for the LMS purposes.

In cases where one of these Directors is in charge of two or more areas, the Director and Deputy Director or representative of each area must take the courses. For example: if a Director is in charge of both procurement and legal, then the Deputy Director or representative of these areas must also complete the courses. Please note that a job title does not necessarily imply that an employee performs certain functions. It is imperative that the employee taking the courses is the person who fulfills the roles and responsibilities of the positions mentioned above.

Below is an example of the key members of the entity according to the situation referred above.



2.3.3 What is the process to complete the registration in Talent LMS?

Complete the link found at the following link to register the subrecipient's identified key staff members in the LMS portal: [Puerto Rico CDBGDR](#)

Once registered, the identified key members will receive an automated welcome email from the portal with the information necessary to access the account. Once logged in, the portal will ask the new user to update the password. They will then have access to all the modules assigned.

For questions regarding the system or for technical assistance, please contact the Program via email cdbg-dr-mit-trainings@vivienda.pr.gov.

2.3.4 Is there a specific timeframe to complete the Core Curriculum?

Yes! The timeframe to complete the Core Curriculum in the LMS portal begins on the day the SRA is signed. Please refer to the SRA Special Conditions Exhibit for your entity's specific timeframe to complete the courses.

2.3.5 What other training courses are mandatory?

In addition to the above, and as stated in the Subrecipient Management Policy, subrecipients are required to attend fraud prevention training provided by the HUD Office of General Inspector (**OIG**) about the proper management of CDBG-DR/MIT Grants. PRDOH will coordinate this training with HUD annually.

For more information on fraud-related topics, refer to the Anti-Fraud, Waste, Abuse or Mismanagement Policy (**AFWAM** Policy) available at <https://recuperacion.pr.gov/en/download/afwam-policy/>.

2.3.6 Can Subrecipients access additional capacity building initiatives?

Entities have access to additional capacity-building initiatives, such as in-person workshops and webinars, as well as access to specialized technical assistance. However, it is recommended that the entity complete the Core Curriculum in the LMS portal before receiving additional training initiatives.

If the subrecipient identifies a need for additional capacity-building initiatives, they can request them through the Program Point of Contact: cdbg-dr-mit-trainings@vivienda.pr.gov.

Requests for additional capacity-building initiatives must be justified by identifying the specific problems that the subrecipient is facing, such as a lack of internal resources to provide guidance on a particular issue. If necessary, contact your

Program POC for additional instructions.

2.3.7 Where can Subrecipients find additional capacity building initiatives?

Subrecipients will be able to find additional capacity-building initiatives on the Office of Disaster Recovery website, as well as information on how to access the LMS portal. Under the Training section, subrecipients will find the Training Catalog, the Talent LMS access request form, the webinar monthly calendar, additional trainings and more.

To access the Training section on the Office of Disaster Recovery website, go to: <https://recuperacion.pr.gov/welcome/en/subrecipient-aid/>.

Also, PRDOH may provide technical assistance to organizations on topics identified through PRDOH's monitoring processes. In this event, the POC may contact the subrecipient to inform them that technical assistance is required to carry out activities, along with the dates by which it must be completed.

2.4 Financial Management

2.4.1 What are Subrecipient's Financial Management Responsibilities?

There are several regulatory provisions which govern the financial management systems of CDBG-DR/MIT funds. These provisions are found in 24 C.F.R. § 570.502, which in turn refers to 2 C.F.R. part 200 (save for the exceptions established in 24 C.F.R. § 570.502). At the signing of your SRA, you agreed to adhere to these accounting principles and procedures and to have adequate internal controls in place. PRDOH, as Grantee, reserves the right to request any records regarding adherence to such accounting principles, at any given time during the period of the SRA and even after closeout.

As Subrecipient of CDBG-DR/MIT funds, you must ensure that activities comply with all applicable fiscal and administrative requirements of PRDOH and state and local government. Your organization must also have financial procedures designed to avoid or eliminate waste, fraud, or abuse of grant funds in place.

2.4.2 Do Subrecipients need to have Internal Controls in Place (2 C.F.R. § 200.303)?

Having effective controls and accountability practices in place and establishing the necessary internal controls is key to managing CDBG-DR/MIT funds in compliance with

applicable laws, regulations, and specific terms and conditions of the PRDOH CDBG-DR/MIT award.

As a Subrecipient of PRDOH, your organization must have robust internal controls in place to maintain a sound financial management structure to safeguard CDBG-DR/MIT funds. In general terms, such controls will include procedures, separation of duties, qualified personnel, and a record keeping system for accountability in the financial system which protects CDBG-DR/MIT funds, as well as the organization's cash, property, and other assets.

2.4.3 What are the basic elements for Subrecipients to consider when developing or analyzing internal controls?



Maintain written policies and procedures that define staff qualifications and duties, lines of authority, separation of functions, access to assets, and sensitive documents (this may include but is not limited to having an organizational chart with actual lines of responsibility of individuals involved in approving or recording financial transactions).



Adequate separation of duties so no one individual has authority over an entire financial transaction. Separation of duties specifically involves the separation of three types of functional responsibilities: (a) authorization to execute a transaction, (b) recording of the transaction, and (c) custody of the assets involved in the transaction.



Periodic comparisons to actual assets and liabilities to check for completeness and accuracy. This will be key in helping your organization identify and correct inadvertent record-keeping errors in a timely manner. Further, it will help identify potential weaknesses in your systems which are directed to protect resources and most importantly any possible instance of fraud or misuse of CDBG-DR/MIT funds and assets.

2.4.4 What should Subrecipient's internal control structure achieve?

- Adequate use of resources for authorized purposes and in a manner consistent with applicable laws, regulations, and policies;
- Resources are protected against fraud/abuse, mismanagement or loss;
- Reliable information on the source, amount and use of resources are secured, maintained up to date, and recorded.

Be advised that your internal controls, as applicable to your records and transactions,

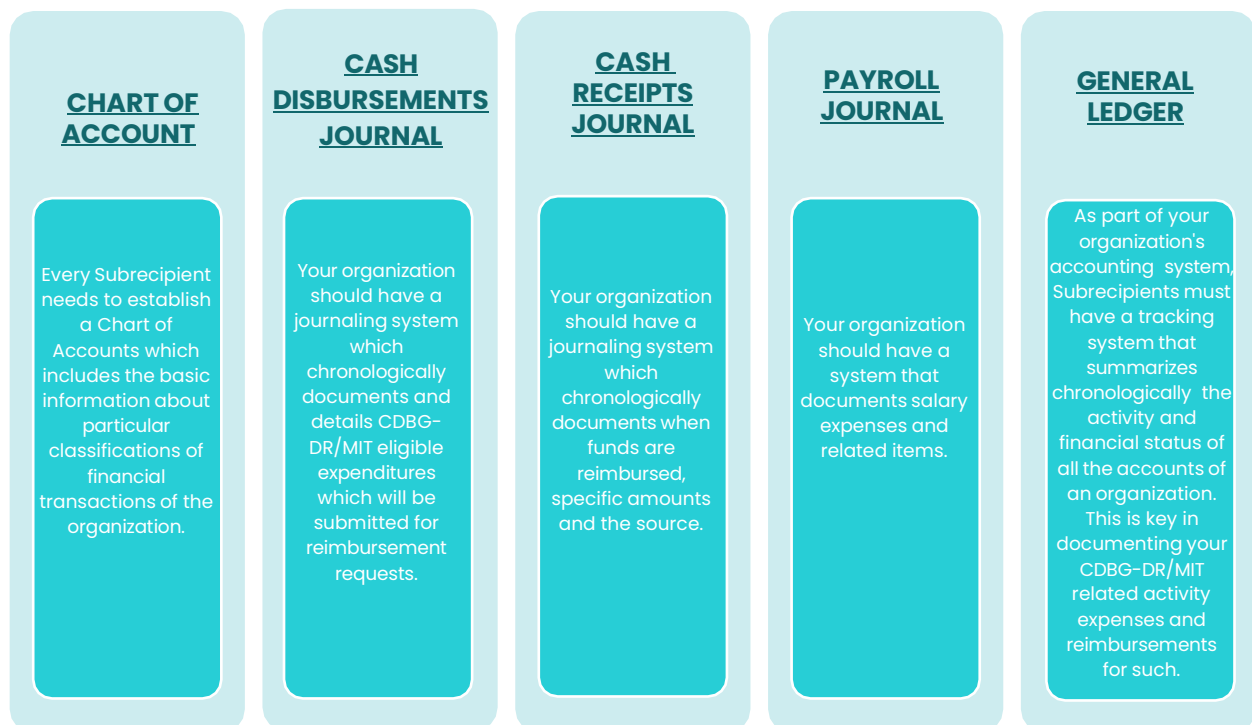
will be subject to monitoring reviews and audit processes. As a result, PRDOH has the right to request modifications in your internal controls practices, policies, and procedures.

2.4.5 What Accounting Records must Subrecipients Maintain?

Financial record keeping is a basic requirement for administering CDBG-DR/MIT funds, so you are required to have accounting records that adequately identify the source and application of CDBG funds. Financial record keeping is one of the primary areas subject to HUD reviews and one which, if inadequate, can lead into findings.

As Subrecipient, you are expected to have accounting records which contain reliable and up-to-date information about the sources and uses of funding including grant awards received, current authorizations to CDBG-DR/MIT, unobligated balances, assets and liabilities, program income, and expenditures.

The financial information and records that your entity must include are, but not limited to:

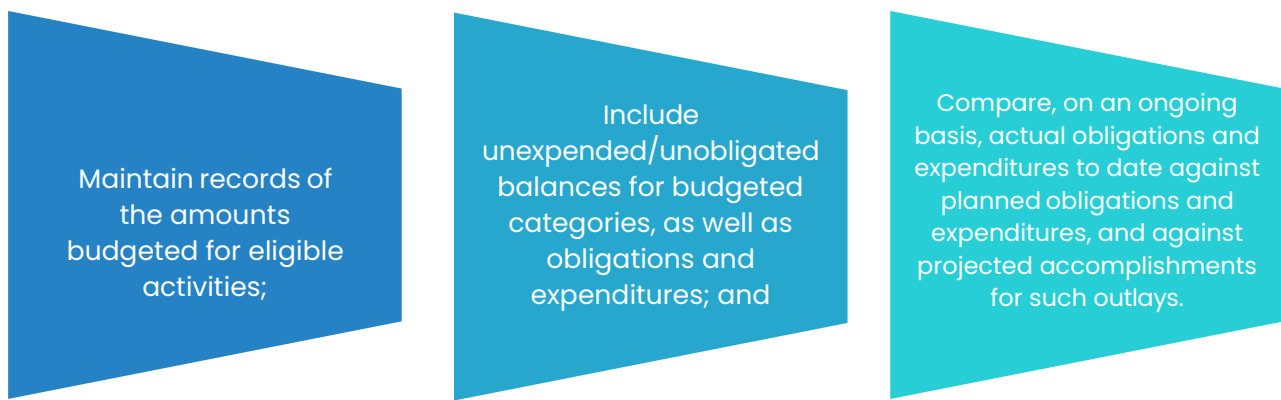


It is also important for your organization to know that Subrecipients are required to maintain a new, separate, and non-comingled Disaster Relief Account and a new, separate, and non-comingled Mitigation Account. It is also very important that you, as

a Subrecipient, deposit all CDBG-DR/MIT funds into such separate accounts. Subrecipients are required to provide and make available to PRDOH all documentation related to such account as may be requested by the PRDOH.

2.4.6 Must Subrecipients keep Budget Controls in Place?

Yes! Subrecipients must have adequate procedures and practices in place to monitor obligations and expenditures against approved budget(s). Therefore, it is important for you to remember that as a Subrecipient, you must:



It's very important for you to always bear in mind, your SRA provides that PRDOH will not reimburse a Subrecipient for expenditures which exceed approved budget line items or the overall budget for CDBG-DR/MIT activities. Reimbursement will only be provided for allowable costs as described in the approved SRA.

2.4.7 What Source Documentation Must Appear in the File?

Based on your SRA and applicable regulations, Subrecipients are required to have source documentation to support your accounting records.¹⁶ Documentation is critical under the CDBG- DR/MIT Program, as such, your organization must provide essential supporting documents to show that the costs incurred and for which you are requesting reimbursement from CDBG-DR/MIT funds were incurred within the term of the SRA, were actually paid out (or properly accrued), were allowable items, and were authorized under the SRA.¹⁷

Remember, the documentation you maintain to support your accounting records must explain the basis of the costs incurred, the dates when these were incurred, and

¹⁶ See, 2 C.F.R. § 200.302, Financial Management.

¹⁷ Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems, March 2005, <https://files.hudexchange.info/resources/documents/Playing-By-the-Rules-a-Handbook-for-CDBG-Subrecipients-On-Administrative-Systems.pdf>.

the amounts.

Some examples are included below for your reference:

- **Payroll source documentation could include, but is not limited to, the following:**
 - Employment letters and all authorizations for rates of pay, benefits, and employee withholdings.
 - Minutes from board of directors' meetings where salary schedules and benefit packages are established, copies of written personnel policies, W-4 forms, etc.
 - Staff time charged to the CDBG-DR/MIT Program activity; time and attendance records should be available.
 - It is important to note that if any of your staff members share time with other funding sources, your organization must hold time distribution records that support allocation charges.

- **Cost of space and utilities may include, but is not limited to:**
 - Rental agreements and utility cost bills and payments.
 - It is important for you to have in mind: If your organization shares the cost of space or utilities between your CDBG-DR/MIT Program and non-related CDBG activities, you need to establish and follow the approved method to allocate the charges among the sources, consistent with PRDOH and federal guidelines.

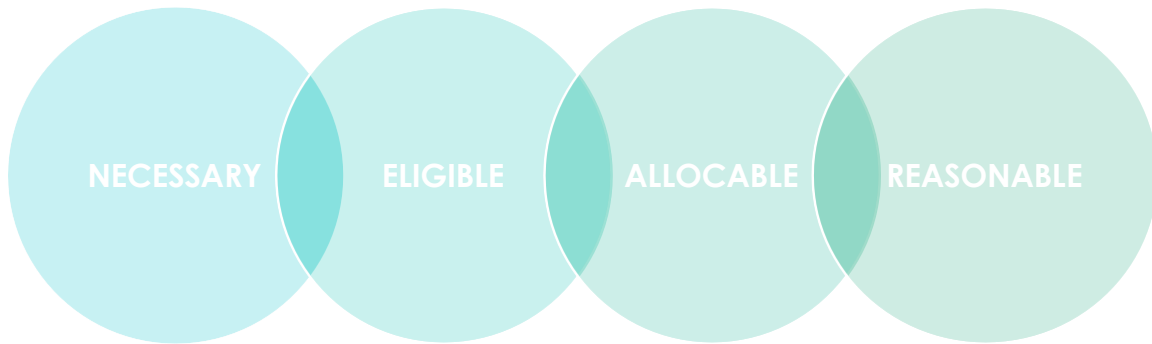
Supplied documentation would include purchase orders or requisition forms initiated by an authorized representative of the Subrecipient, an invoice from the vendor (which has been signed-off by the Subrecipient to indicate the goods were received), the canceled check from the vendor demonstrating payment was made, and information regarding where the supplies are being stored and for what cost objective(s) they are being used.

2.4.8 How does a Subrecipient determine what are Allowable Costs?

As stated in the Subrecipient Management Policy, your organization must follow and comply with the basic guidelines set forth by the United States Office of Management and Budget (**OMB**)¹⁸ regarding costs that are allowable under the CDBG Program.

¹⁸ See, 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

Any expenditure made by your organization related to CDBG-DR/MIT activities and programs must be:



Based on the above and your requirements under the SRA, please note that, for costs to be allowable under the CDBG-DR/MIT Program they need to meet the following:

1. Expenditure is reasonable, necessary, and directly related to the CDBG-DR/MIT Program and the scope of work included in the SRA.
 - o Please note that this applies to items such as: salaries, administrative services contracts, real property and equipment purchases or leases, travel, and other administrative expenditures.
 - o Subrecipients should consider the following when determining if costs are reasonable:



2. The expenditure has been authorized by PRDOH in your SRA Budget.
3. The expenditure is not prohibited under Federal, state, local laws, or regulations.
 - o As an example, Subrecipients are strictly prohibited from incurring in

expenditure of Federal funds for entertainment, contributions and donations, fines and penalties, and bad debts.

- Generally, you will be able to find a detailed list of prohibited expenditures in the Program Guidelines.
4. The expenditure is consistently treated. This means that as a Subrecipient, you apply generally accepted accounting standards when you compute your costs, and you use the same procedures when performing the calculation of costs as for your non-Federally assisted activities.

If at any point you have questions regarding Allowable Costs, you should contact your POC, who will direct you to the proper channel and provide clarifications to your organization.

Any cost incurred by your organization regarding CDBG-DR/MIT related activities and programs needs to be:

1. Allocable to the CDBG-DR/MIT Program. **What does this mean?**
 - Costs are allocable to a particular cost objective (e.g., grant, program, or activity) in proportion to the relative benefits received by that objective. This means that if an office is utilized by two programs during the same hours, the costs of the office should be allocated between the two programs on an equitable basis. The same expense cannot be claimed against more than one grant (i.e., double billing is prohibited).
 - A cost originally allocable to a particular Federal grant program cannot be shifted to another Federal grant program to overcome funding deficiencies, to avoid restrictions imposed by the grant or by law, or for any other reasons. Direct costs must be identified specifically with a particular activity. Indirect costs are those incurred for common objectives that benefit more than one activity (e.g., salaries of executive officers, accounting and auditing, other costs of general administration). The Subrecipient's indirect costs must be supported by an indirect cost proposal.

2. The cost is net of all applicable credits. Subrecipients are not allowed to make a profit from any costs charged to CDBG-DR/MIT funds.

2.4.9 What are the Requirements for Subrecipient's Reimbursement of Funds?

As you know, your payment of grant funds, as outlined in your SRA, is based on the reimbursement method of funds expended on approved CDBG-DR/MIT items. It is

important for your organization to have financial management policies and procedures in place for your cash management and reimbursements requests.

Remember, pre-award expenditures are strictly ineligible, and PRDOH will not process them. As such, you are strictly prohibited from obligating any funds or incurring any expenses for reimbursement until after you execute an SRA¹⁹. Therefore, if you incur any expenses related to the CDBG-DR/MIT Program prior to execution of the SRA, you will be unable to request reimbursement of such funds. Your organization is required to have procedures in place to manage matters related to reimbursement of expenditures and the flow of funds.

2.4.9.1 What steps should Subrecipients follow in submitting a request for reimbursement?

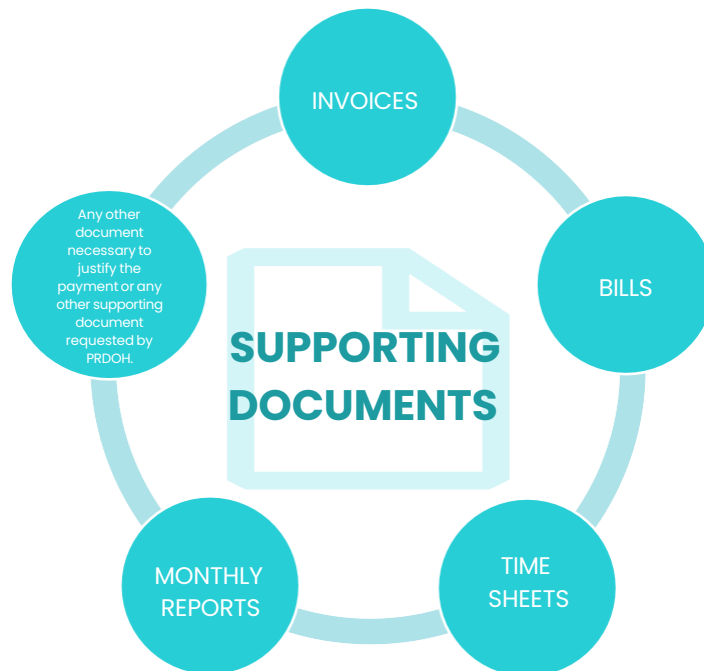
You must submit a reimbursement request for payment as per Section VII, Payment of the SRA, to the PRDOH Finance Division through the Vendor Café platform.

Things to remember and consider regarding expended CDBG-DR/MIT funds and requests for reimbursement:

- Expenditures presented for reimbursement need to align with your approved budget included as Exhibit D to your SRA.
- Total funding amount to be paid by PRDOH to the Subrecipient under your SRA shall not exceed the amount specified in the budget.
- Such payment shall be compensation for all allowable services required, performed, and accepted under the SRA.
- Your requests for reimbursement for activities under the SRA need to be submitted to your PRDOH POC monthly or with the frequency agreed and authorized by PRDOH.
- You need to break down any requested reimbursements submitted in your request against the line items specified on the approved budget.
- The documentation presented with your request for reimbursement is crucial to evidence not only the purpose of the expenditure but also that your activities are

¹⁹ Note that the Non-Federal Match (NFM) Program, the Hazard Mitigation Grant Program (HMGP), and the Electrical Grid Rehabilitation and Reconstruction Cost Share Program (ERI) are an exception. Due to the Program's nature of only providing matching funds for the non-federal share of eligible FEMA PA costs, PRDOH will assess procurement reviews conducted by FEMA and COR3 in conjunction with the obligation and reimbursement of FEMA-eligible costs. For further detail please refer to the Program Guidelines at [Non-Federal Match Program Program - CDBG-DR/MIT Recovery Funds; Hazard Mitigation Grant Program - CDBG-DR/MIT Recovery Funds; Energy Grid Rehabilitation and Reconstruction Cost Share Program](#)

in line with the SRA provisions. Therefore, the Requests for Reimbursements **must be submitted with all supporting documentation**, which may include but is not limited to:



- All supporting documentation must be legible, and signed and dated by your organization's authorized representative.
- If at any point you identify erroneously drawn funds, you must return those funds to the Grantee immediately.
- Specific requirements for Payroll/Salary expenditures.
- The Request for Reimbursement must also be accompanied by documentation from the Subrecipient demonstrating that all procurements for which payment is requested have been made in accordance with the SRA.

2.4.9.2 How often are Subrecipients required to submit reimbursements requests?

Your SRA requires that you submit reimbursement requests on a **monthly** basis. Per SRA guidance, each request for reimbursement shall be broken down into requested reimbursements against the Budget line items specified in Exhibit D of your SRA.

PRDOH will process payments for eligible and allowed expenses actually incurred by the Subrecipient, not to exceed actual cash requirements. PRDOH reserves the right to adjust payments in accordance with program income, or for any other reason,

considering the balances available in Subrecipient accounts.

2.4.9.3 What happens when you submit your request for reimbursement?

The PRDOH Program POC reviews the request for reimbursement submitted by your organization. If your POC identifies any issue, questionable or ineligible expenses, it will require clarification, corrections, or additional information from your organization. The same will happen if any errors or missing documentation are identified.

Remember that reimbursements will be processed once any additional information or documentation is provided or clarifications are made.

2.4.9.4 When may PRDOH recapture any payments made to your organization?

Your SRA allows for PRDOH to recapture payments it has made to your organization if:

The payment has exceeded the maximum allowable rates;

Payments are not allowed under applicable laws, rules, or regulations; or

Payments are otherwise inconsistent with the SRA, including any unapproved expenditures.

Subrecipients also need to be mindful that PRDOH, as Grantee, can recapture funds if the organization has received reimbursements from other federal programs for the same activities.

- Subrecipient must refund such recaptured payments within **thirty (30) days** after the PRDOH issues notice of recapture to Subrecipient.

2.4.10 What is program income?

Program income is any gross income received by the Subrecipient directly generated from the use of CDBG-DR/MIT funds, except as provided in the requirements related to Revolving Loans and received by the Grantee or subgrantee. 24 C.F.R. § 570.500(a).

2.4.11 What do you as Subrecipient need to do in case of program income generation?

Your SRA states that you must notify PRDOH, within **twenty-four (24) hours** of receipt of

any program income generated by activities carried out with CDBG-DR/MT funds from your SRA. All Program Income generated by activities carried out with the CDBG-DR/MT funds must be returned to PRDOH if retention of such is not previously authorized by PRDOH.

2.4.12 What happens if the program income generated is only partly produced with CDBG-DR or CDBG-MIT funds?

If program income is generated by a project that is only partially assisted with CDBG-DR/MT funds, the amount of program income attributable to CDBG-DR/MT shall be prorated accordingly to reflect the percentage of CDBG-DR/MT funds used (24 C.F.R. § 570.489(e)(1)). Please see the following table containing examples of what is considered program income:

PROGRAM INCOME	NOT PROGRAM INCOME
Proceeds from the sale or long-term lease of real property purchased or improved with CDBG-DR/MT funds.	Total amounts of less than \$35,000 received in a single year.
Proceeds from the disposition of equipment purchased with CDBG-DR/MT funds.	Amounts generated related to assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities in non-entitlement areas, to carry out a neighborhood revitalization or community economic development or energy conservation project, and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities in which elderly families benefit as a result of living in a
Gross income from the use or rental of property acquired by the Grantee or Subrecipient with CDBG-DR/MT funds, less the costs incidental to the generation of such income.	
Gross income from the use or rental of property owned by the Grantee or Subrecipient that was constructed or improved with CDBG-DR/MT funds, less any costs incidental to the generation of such income.	
Payments of principal and interest on loans made using CDBG-DR/MT funds.	

Proceeds from the sale of loans made with CDBG-DR/MIT funds.	dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing.
Proceeds from the sale of obligations secured by loans made with CDBG-DR/MIT funds.	
Interest earned on program income, pending the disposition of such program income.	
Funds collected through special assessments made against properties owned and occupied by households not of low- and moderate-income, where such assessments are used to recover part or all the CDBG-DR/MIT portion of a public improvement.	

Please remember that program income must follow the agreed-upon clause(s) in your SRA. For more information, you can examine the Program Income available at: <https://recuperacion.pr.gov/en/download/program-income-policy/> or <https://recuperacion.pr.gov/download/politica-de-ingresos-del-programa/>.

2.4.13 How To Register and Track Fixed Assets?

To track and account for fixed assets acquired under the CDBG-DR/MT grant, all Subrecipients must follow the instructions provided in the Accounting and Tracking Fixed Assets for Subrecipients document. At the end of every month, PRDOH must receive a listing of the assets Subrecipients have on hand (tangible and intangible) by submitting the following documentation to the agency within the first five (5) business days of the following month from which the entity is reporting:²⁰

- a. Inventory & Depreciation Registry²¹ – a tool used to register fixed assets information and calculate depreciation given the following conditions:
 - i. Have an acquisition cost of \$500.00 or more.
 - ii. Have a useful life of one year or more.

²⁰ See, Accountancy and Tracking of Fixed Assets for Subrecipients Instructions.

²¹ The Subrecipients required to submit an Inventory and Depreciation Registry are those Subrecipients that are approved to purchase Fixed Assets in their SRA Budget Exhibit. The need to report is triggered when the Subrecipient submits its first fixed assets invoice to PRDOH. The PRDOH Finance Team will flag the fixed assets on the financial system and send an e-mail to the Subrecipient with the Accountancy and Tracking of Fixed Assets: Guide for Subrecipients and the Inventory & Depreciation Registry.

When acquired, all assets must be given a unique identification number to assure the asset is being properly accounted for and control procedures are in place.

Subrecipients must ensure that all documents include the name and position of the preparer, and the entity's information (name, logo, mail and e-mail addresses, and telephone number).

2.4.14 Inventory and Depreciation Registry

At the end of each month, the preparer shall use the Inventory & Depreciation Registry to track the physical inventory, cost, and depreciation expense of all fixed assets with an acquisition value of \$500.00 or more.

a. The following fields on the document must be completed:

- i. Name of the asset
- ii. Description
- iii. Model Number
- iv. Serial Number
- v. ID Number (Assigned to Equipment)
- vi. FAIN (Federal Award Identification Number) – can be found at <https://www.usaspending.gov/#/search>
- vii. Category
- viii. Assigned To
- ix. Additional Information
- x. Location of the item – Department/Area/Floor
- xi. Date of Acquisition
- xii. Start Depreciation Date (populates automatically)
- xiii. Purchase Order Number
- xiv. Supplier
- xv. Warranty Expiration Date (if any)
- xvi. Condition (new or used)
- xvii. Unit Cost

2.5 What are the Subrecipient's Responsibilities with Respect to the Retention of CDBG-DR/MIT Program Records?

As Subrecipient, your organization must have a Record Keeping Policy. As Subrecipient, your organization must establish procedures that detail the management and implementation of record keeping practices. However, if your organization does not have a Record Keeping Policy in place, you may use PRDOH's Record Keeping, Management, and Accessibility Policy (**RKMA Policy**) as a guideline to create your own policy. But, if your organization does have a Record Keeping Policy, you may use PRDOH's RKMA Policy to ensure your policy complies with the federal regulations.

It is critical for all your staff to be trained and aware of the record keeping related requirements and the procedures.

While the SRA dictates general record keeping requirements, you want to make sure that you are documenting things that include but are not limited to, program and program performance, income eligibility requirements, duplication of benefits, financial management compliance and applicable federal cross-cutting requirements.

For more information you can examine the CDBG-DR RKMA Policy at <https://recuperacion.pr.gov/en/download/record-keeping-management-and-accessibility-policy-rkma-policy/>.

2.5.1 What are the records that your organization, as Subrecipient, must maintain?

The records include, but are not limited to, the following:

Budget

Accounting Procedures, including internal controls

but extending beyond that period.

2.6 National Objectives

2.6.1 Do Subrecipients have to keep records to document National Objectives?

Yes! Subrecipients need to maintain records that show that activities meet the criteria for National Objectives.

Please see the following table containing examples of the type of documentation that you must maintain to confirm that your activities meet any of the National Objective criteria:

NATIONAL OBJECTIVE	REQUIRED DOCUMENTATION
LMI AREA	<ul style="list-style-type: none"> • Boundaries of service area • Census data, including total persons and percentage of LMI • Evidence the area is primarily residential • Survey documentation (if applicable)
LMI LIMITED CLIENTELE	<ul style="list-style-type: none"> • Documentation indicating the beneficiaries are low/moderate income or presumed to be low/moderate income (by category).
LMI JOB CREATION OR RETENTION	<ul style="list-style-type: none"> • Number of jobs created or retained • Type and title of jobs created or retained • Income of people benefiting from the jobs created or retained; National Objective Documentation 24 C.F.R. § 570.483(b)(4)(i) is waived. HUD considers a person income-qualified if their annual wages or salary are at or under the HUD established income limit for a one-person family.

SLUM AND BLIGHT	<ul style="list-style-type: none">• Evidence of formal slum/blighted area designation (e.g., boundaries, evidence area meets State slum/blight requirements).• Documentation and description of blighted conditions (e.g., photographs, structural surveys, or development plans).• If applicable, evidence that the property meets spot designation requirements (examples may include acquisition and demolition of a dilapidated property, elimination of code violations on a community facility, preservation of a historic property, or financial assistance to a business to demolish a decayed structure).• Slum and blight do not apply to CDBG-MIT funded activities, unless waived and authorized by HUD.
URGENT NEED	<ul style="list-style-type: none">• Documentation of urgency of need and timing as established in CDBG-DR Action Plan.• Certification that other financing resources were unavailable, and CDBG-DR meets the unmet need.
URGENT NEED MITIGATION	<ul style="list-style-type: none">• Applicable to CDBG-MIT funds only.• Documentation demonstrating the activity addresses the current and future risks as identified in the Mitigation Needs Assessment of MID areas, as established in the CDBG-MIT Action Plan.• Documentation demonstrating activities will result in a measurable and verifiable reduction in the risk of loss of life and property.• Certification that other financing resources were unavailable, and CDBG-MIT meets an urgent need.

2.6.2 Do Subrecipients need to document that activities carried out are tied to a Disaster?

As Subrecipient of PRDOH and as required under the SRA and applicable federal regulations, you are responsible for documenting that activities carried out by your entity are eligible activities, as previously detailed in this Manual.

You also need to remember to document that your activities and/or project as a whole, meet eligibility requirements and are related to recovery from the disaster(s) covered by the appropriation.

Note: CDBG-MIT activities do not require a “tie-back” to a specific event but must meet the criteria set by HUD for mitigation.

2.6.3 How to document the activities in your program or project that address a disaster related impact and how they serve to restore housing, infrastructure or the island’s economy?

A possible approach to documenting this could be:

- Applicant suffered physical or economic damage from the hurricanes or –

funded project will help to economically revitalize an impacted community, including new construction.

- Post-disaster analyses or assessments for economic or non-physical losses.
- It is important to keep in mind: simply being located within a declared area is not sufficient documentation – you must be able to show that the specific project or applicant has a tie to the disasters. Documenting this in a timely manner is necessary, as documenting the tie to disasters can become quite challenging as time passes.

2.7 Duplication of Benefits

2.7.1 What is Duplication of Benefits?

The Stafford Act prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. Duplication of Benefits (**DOB**) verification and analysis ensure that program funds compensate applicants for damages and needs that have not been addressed by an alternate source, either through funding or assistance. As such, PRDOH must consider disaster recovery aid received by Program applicants from any other federal, state, local or other source and determine if any assistance is duplicative. Any assistance determined to be duplicative must be deducted from the Program's calculation of the applicant's total need prior to awarding assistance. Please see your specific Program Guidelines and specific programmatic activity DOB requirements.²²

2.7.2 What are Subrecipient's responsibilities in documenting compliance?

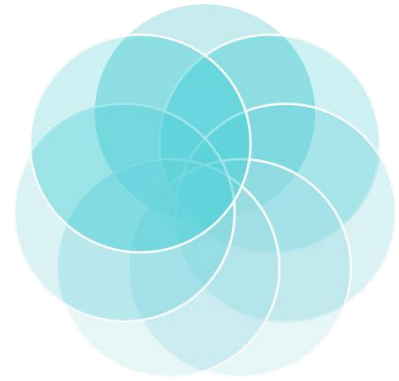
Don't forget that you are responsible for record retention of documents submitted by applicants to avoid Duplication of Benefits in the assistance provided, as it relates to specific CDBG-DR/MIT Programs or projects under your SRA.²³

Common disaster assistance sources include, but are not limited to:

²² See, Duplication of Benefits Policy at <https://recuperacion.pr.gov/en/download/duplication-of-benefits-policy/>.

²³ The duplication of benefits guidance included in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, updates the duplication of benefits guidance issued in Federal Register Vol. 76, No. 221 (November 16, 2011), 76 FR 71060 for CDBG- DR grants received in response to disasters declared between January 1, 2015, and December 31, 2021.

- Federal Emergency Management Agency (FEMA)
- Small Business Administration (SBA)
- Central Office for Recovery, Reconstruction and Resiliency (COR3)
- National Flood Insurance Program (NFIP)
- Private Insurance
- Increased Cost of Compliance (ICC)
- United States Army Corps of Engineers (USACE)
- Private and nonprofit disaster assistance



For additional information on how specific programs will address DOB, you may access published Program Guidelines at <https://recuperacion.pr.gov/en/download/duplication-of-benefits-policy/>.

2.7.3 What are Subrecipient responsibilities on Access to Records?

Subrecipients need to be conscious of the fact that HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access Subrecipient entity program records. Also, PRDOH is required to provide citizens with reasonable access to all records regarding current and past funded programs (as applicable privacy and confidentiality state and local laws allow).

As such, your organization needs to have a strong record keeping system compliant with requirements.

2.8 Single Audit

As a Subrecipient, you are required to comply with the Single Audit Requirements, as included in your SRA.

2.8.1 What does this mean?

1. You need to understand the provisions related to Single Audit under the SRA.
2. You must be vigilant of federal fund expenditures from federal awards during the respective fiscal when such expenditures equal or exceed the \$1,000,000 threshold set forth in §200.501.

WARNING: This includes all federal award expenditures! Make sure you have

a good accounting and expenditure tracking system.

3. Once you meet the threshold, you need to notify PRDOH and report the event in your corresponding monthly progress report.
4. Engage the appropriate parties for your organization's Single Audit Review.
5. Once you obtain your Single Audit Report, electronically submit data and reporting related to the Single Audit report, to the Federal Audit Clearinghouse (**FAC**) (2 C.F.R. § 200.512(d)). Ensure that no protected personally identifiable information, as set forth in 2 C.F.R. § 200.512(a)(2)), is included in such reports. You can access the FAC via the following link: <https://www.fac.gov/>

Additionally, PRDOH will request that your organization provide an annual certification form, attached hereto as **Appendix VI**, for the previous fiscal year stating that your organization did not reach the annual expenditure threshold and, as a result, it is not required to undergo a Single Audit as required by the above-mentioned regulation. PRDOH will provide such annual certification form to the Subrecipient in the event it is required.

2.8.2 What happens when the PRDOH obtains your Single Audit Report?

It is important for you to understand that PRDOH will review your organization's Single Audit Report, and should there be any factors or findings that may have an impact on your performance, use and/or administration of federal funds or of carrying out the activities included in your SRA, PRDOH may request any necessary corrective actions. If any such concerns or findings are contained in the Single Audit Report, your organization must provide a written communication to PRDOH within **thirty (30) days** of such disclosure. If deemed necessary, PRDOH may request to schedule a meeting with your organization to review overall program performance, financial records, any corrective actions needed.

2.9 Procurement

As part of the activities that Subrecipients will carry out, it is likely that you will need to go through a procurement process to acquire any goods or services needed to carry out those activities.

It is critical for you to understand that your organization, as a CDBG-DR/MIT Subrecipient, must follow and meet the procurement requirements set forth in 2 C.F.R. § 200.318 through 2 C.F.R. §200.327 for the procurement of any materials, property, equipment, or service. It is

required that Federal dollars are spent fairly and encourage open competition at the best level of service and price. These requirements are to be adhered by all parties participating in the procurement.



PRDOH monitors the procurement actions of their Subrecipients as part of their oversight. Non-compliance with the above could result in unpaid reimbursement requests and even SRA termination.

Please be advised that you are required to undertake orientations detailing the rules and requirements set forth in 2 C.F.R. § 200.318 through 2 C.F.R. § 200.327.

The essence of “good procurement” can be summarized as follows:

- Identify and clearly specify standards for the goods or services the Subrecipient wants to obtain;
- Seek competitive offers to obtain the best possible quality at the best possible price;
- Use a written agreement that clearly states the responsibilities of each party;
- Ensure the fair and equitable treatment of all bidders and potential bidders;
- Keep good records; and
- Have a quality assurance system that helps the Subrecipient get what it pays for.

2.9.1 Guidelines on Compliance with 2 C.F.R. §200.318 to 2 C.F.R. §200.327

This guide provides a summary of the guidelines PRDOH recommends should be followed by all subrecipients to comply with the provisions of the federal statutes under 2 C.F.R. § 200.318 through 2 C.F.R. § 200.327. These guidelines do not represent the entirety of the statutes which regulate procurement transactions for subrecipients; therefore, they should stay abreast of all federal and state laws and regulations that impact procurement transactions.

For more information, please refer to the Guidelines on Compliance with the Provisions of 2 C.F.R. § 200.318 to 2 C.F.R. § 200.327 for CDBG-DR/MIT Program Subrecipients at <https://recuperacion.pr.gov/en/download/guidelines-on-compliance-with-the-provisions-of-2-c-f-r-%c2%a7-200-318-to-2-c-f-r-%c2%a7-200-327-for-cdbg-dr-program-subrecipients/>

2.9.2 What are the Selection Processes under CDBG-DR/MIT Procurement?

There are various methods for the procurement of goods and services. However, the adequate method may depend on your organization, the activities you will be carrying out as Subrecipient, and the amount and types of goods or services to be obtained. You can find guidance on the available methods of procurement on the LMS Core Procurement Processes based on 2 C.F.R. §§ 200.318 – 200.327. The PRDOH Procurement Division is available to provide specific technical assistance or guidance on procurement processes. You may request technical assistance regarding procurement processes by emailing cdbgdr-procurement@vivienda.pr.gov.

2.9.3 Contractual Agreements between Subrecipient and third parties under your SRA.

A very important detail that you need to be aware of is that in the procurement of goods or services, you will execute a contractual agreement in which you need to include all applicable PRDOH's conditions. As Subrecipient, you are responsible for requiring all contractors to flow down PRDOH's Conditions, including termination for convenience of PRDOH, to all subcontractors, as well as the requirement to flow down such terms to all lower-tiered subcontractors. These Conditions include required terms for project contracts, HUD General Provisions, Participation by Minority Group Members and Women Requirements and Procedures for Contracts with Housing Trust Fund Corporation, Standard Clauses for Contracts with PRDOH and required diversity forms.

It should be noted that these clauses come from both federal and state laws, regulations, and executive orders, as well as provisions issued by HUD. Most of the clauses applicable to contractors are also applicable between the contractor and the subcontractor.²⁴



Important! All subrecipients must provide PRDOH a copy of the signed contract within **three (3) days** after its signing. Such notification can be made through the GCP platform in the Procurement and Contracts Module. If the Subrecipient is a government entity, you must also register your contract with the Comptroller's Office within **15 days** after signing.

For more information, the Subrecipient can use the Contract Checklist **Appendix IV** and the list of General HUD Provisions. The said documents are intended to serve as a guide

²⁴ For more information, access the following link: <https://recuperacion.pr.gov/en/download/contract-and-subrecipient-agreement-manual/>.

to the Subrecipient when drafting their contracts.

2.9.4 Available Resources on Procurement²⁵

➤ Subrecipient's Procurement Library

This e-library has been created for the Subrecipients to download different procurement process templates for their use. In this e-library, the Subrecipients will also find all Administrative Orders for reference related to the procurement processes and general templates of documents.

➤ Courtesy Reviews

Subrecipients have the discretion to request courtesy reviews of their procurement processes and professional services contracts. To exercise this alternative, Subrecipient must send their documents via the GCP platform through the Procurement and Contracts Module.

➤ CDBG-DR/MIT Procurement (in PRDOH Portal)

This section provides different resources where Subrecipients can download the Procurement Manual, the DUNS²⁶ and SAM FAQ guide, and general information about Procurement. Also, in this page, you can click to register to be able to receive notifications about active procurement processes.²⁷

➤ CDBG-DR/MIT Contracts

This section of the CDBG-DR/MIT Website includes all PRDOH contracts under CDBG-DR/MIT Program that can be used as reference.

➤ System of Award Management (SAM)²⁸

All entities participating in a procurement process using/receiving federal funds must be registered in Sam.gov. It is also required that suppliers submitting quotes for the CDBG-DR/MIT programs are registered in SAM to be considered. If not yet registered, suppliers must include evidence of registration when submitting their quotes. *Such registration is free of charge for the supplier.* For registration:

²⁵ To know about all available resources on Procurement Processes and Compliance, visit our web page, <https://recuperacion.pr.gov/en/resources/>.

²⁶ As of April 4, 2022, the SAM replaced the DUNS number with the Unique Entity Identifier (UEI). Entities already registered in SAM have their UEI.

²⁷ <https://recuperacion.pr.gov/en/procurement-and-nofa/>

²⁸ The SAM registration will be required for purchase orders/contracts equal or higher than \$25,000.

<https://www.sam.gov/SAM> or <https://www.federalcontracting.ddec.pr.gov/>.

➤ **Limited Denial of Participation List (LDP)**

The Limited Denial of Participation List excludes a specific person or entity from participating in a specific program, or programs, within a HUD field office's geographic jurisdiction, for a specific period of time.

https://www.hud.gov/topics/limited_denials_of_participation

➤ **Comptroller's Office of Puerto Rico**

The Comptroller's Office allows the consultation or search for contracts with the Government of Puerto Rico. The contracts of services/goods can be used for guidance or reference. <https://consultacontratos.ocpr.gov.pr/>

➤ **GSA eLibrary**

The GSA eLibrary can be used as a source to look for the latest GSA contract awards and information. <https://www.gsaelibrary.gsa.gov/ElibMain/home.do>

2.10 Environmental Compliance and Review

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with Federal funds, and all activities associated with such project, are subject to the provisions of the National Environmental Policy Act of 1969 (**NEPA**), and HUD environmental review regulations.

The environmental review process is required for all HUD-assisted projects, including CDBG-DR/MIT funded projects, to ensure the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

2.10.1 As Subrecipient, are you responsible for environmental compliance and review?

While PRDOH generally undertakes environmental compliance tasks and review, your responsibilities as Subrecipient will depend on the terms and conditions of your SRA and the nature of your Program. Usually, a level of responsibility for environmental determination for project activity will be required prior to the development of the SRA. The environmental review (based upon that level of environmental determination)

may be required prior to receiving funding.

To conduct the appropriate level of environmental review, the Program will need to determine the environmental classification of the project. The term “project” may be defined as an activity or group of activities geographically, functionally, or integrally related, regardless of funding source, to be undertaken by the Program in whole or in part to accomplish a specific objective.

Your program guidelines provide further information on this topic.

2.11 Compliance with CDBG-DR/MIT Regulations

2.11.1 Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR/MIT. The Cross-Cutting Guidelines cover topics such as: financial management; environmental review; labor standards; acquisition; relocation; fair housing; among others. The requirements described in the above referenced Cross-Cutting Guidelines apply to all programs described in PRDOH’s CDBG-DR/MIT Initial Action Plans and its amendments.

The Cross-Cutting Guidelines, and all CDBG-DR/MIT Program policies, are available in English and Spanish on the PRDOH website at: <https://recuperacion.pr.gov/en/resources/policies/> and <https://recuperacion.pr.gov/recursos/politicas/>.

2.11.2 Compliance with Section 3 and Minority and Women Business Enterprises (M/WBE)

As Subrecipient of the CDBG-DR/MIT Program, Section 3 compliance requirements must be adhered to. Subrecipients of the CDBG-DR/MIT Program must also comply with 2 C.F.R. § 200.321 regarding the requirements to assist and ensure economic opportunities to small businesses, women-owned business enterprises and minority-owned business enterprises (**M/WBE**). The PRDOH CDBG-DR website contains information regarding the PRDOH policy and tools available to comply with M/WBE requirements and fulfill Section 3 participation for new hires, training, contracting and other economic opportunities for participation in federal contracting opportunities with CDBG- DR/MIT funding.²⁹

The Federal Compliance Division will reach out to your compliance coordinator or

²⁹ Visit our web page: <https://recuperacion.pr.gov/en/download/section-3-policy/> and <https://recuperacion.pr.gov/en/download/mwbe-policy/>.

manager to request reports and offer training once you have completed the onboarding training as mentioned above. The Federal Compliance Division, responsible for the implementation of Section 3 and M/WBE requirements, will require Subrecipients to report on these compliance areas, as detailed further on this Manual.

For questions related to Section 3 Compliance, you can write to Section3CDBG@vivienda.pr.gov with your inquiries or concerns.

For questions related to M/WBE compliance, you can write to MWBECDDBG@vivienda.pr.gov with your inquiries or concerns.

2.11.3 Davis Bacon and Related Acts: What does your Organization need to know as a Subrecipient of the CDBG-DR/MIT Programs?

PRDOH adopted a Davis-Bacon and Related Acts (**DBRA**) Policy to comply with applicable federal legal and regulatory requirements. As a result, Subrecipients must implement and comply with the PRDOH DBRA Policy.

Most construction projects funded with CDBG-DR/MIT funds must comply with DBRA requirements to ensure that laborers and mechanics are paid prevailing wages, including overtime, for work performed on CDBG-DR/MIT-funded projects. Contractors awarded contracts funded with CDBG-DR/MIT funds are responsible for understanding and complying with DBRA. The Federal Compliance Division and/or your Program POC will provide guidance on the applicability of DBRA to your construction project.

Remember: PRDOH and its subrecipients are responsible for reviewing certified payroll and other records to ensure compliance.

2.11.3.1 Are there specific DBRA requirements applicable to the Subrecipient's Projects?

YES! If your construction project needs to comply with DBRA requirements, you will need to do the following:

- Require awarded contractors and their subcontractors to submit weekly Certified Payroll Records (CPRs).
- Perform on-site employee interviews and employee questionnaires.
- Perform periodic "spot check" review of the submitted CPRs and related submissions, including comparison of on-site interviews.
- Ensure awarded contractors pay laborers and mechanics, at least the locally prevailing wages (including fringe benefits).
- Identify potential willful violations and enforce corrective actions for identified errors.

- Enforce the referral of potential criminal/complex investigations, debarment, and/or CWHSSA liquidated damages to HUD.
- Pursue debarment and other available sanctions for contractors that repeatedly violate prevailing wage requirements and/or fail to properly carry-out their labor standards
- Thoroughly explore any evidence of violations, especially allegations of underpayment and ensure full resolution of substantiated violations.

The Federal Compliance Division will reach out to Subrecipients to provide additional training after completing the initial training sessions.

For more information, please visit the web pages to locate policy/guides and other useful resources: <https://recuperacion.pr.gov/en/download/davis-bacon-and-related-acts-policy/>

For questions related to Davis Bacon and Related Acts compliance you can write to DavisBacon@vivienda.pr.gov with your inquiries or concerns.

2.11.4 The Occupational Safety and Health Act of 1970 (OSHA ACT)

The Subrecipient shall comply with the Occupational Safety and Health Act of 1970 (**OSHA Act**), supplemented by the Department of Labor regulations. This Act created the Occupational Safety and Health Administration (**OSHA**). OSHA ensures safe and healthful working conditions for workers by setting and enforcing standards and providing training, outreach, education and assistance. Under the OSH Act and OSHA regulations, employers have a responsibility to provide safe and healthful working conditions.

Employers must also comply with 29 U.S.C. § 651 *et seq.*, and 29 C.F.R. Part 1910 "Occupational Safety and Health Standards" of the OSH Act. These laws and regulations require employers to furnish each of its employees with a safe working environment, free from recognized hazards that could potentially result in death or serious physical harm. This includes the adoption and enforcement of safety and health guidelines, as well as providing employees with subsequent and recurrent training regarding these guidelines and standards.

Subrecipient whose Scope of Work includes construction activities under a CDBG-DR/MIT program must comply with the General Duty Clause³⁰, and with the provisions

³⁰ 29 U.S.C. § 654 states:

a) Each employer-

(1) shall furnish to each of its employees' employment and a place of employment which are free from recognized hazards

of 29 C.F.R. Part 1926 "Health and Safety Regulations for Construction". It shall be a condition for each contract entered into, for construction, alteration and/or repair, including painting and decorating, that no contractor or subcontractor for any part of the contract work shall require any laborer, worker or mechanic employed in the performance of the contract to work in surroundings, environment or under working conditions which are unsanitary, hazardous, or dangerous to their health or safety.

In compliance with these rules and regulations, PRDOH has established an Occupational Safety and Health Policy for CDBG-DR Programs (**OS&H Guideline**), available at: <https://recuperacion.pr.gov/en/download/osh-r3-guideline/>. You, as a subrecipient, may review this policy to create or amend your own policy in compliance with applicable federal requirements.

2.11.5 Fair Housing and Equal Opportunity

The FHEO Policy establishes requirements and provides guidance for ensuring that CDBG-DR/MIT programs do not discriminate against protected classes of people. Included in this policy is a summary of all civil rights-related and anti-discrimination laws which must be complied with, strategies and requirements for the affirmative marketing of programs to potential participants, the handling of discrimination complaints, equal opportunity employment requirements, communication requirements, recordkeeping requirements, and other information critical for ensuring compliant design and implementation of the CDBG-DR/MIT Programs.

It is very important for all Subrecipients to ensure that your programs, policies, and projects do not have the effect of discriminating or disproportionately impacting any protected classes of people or their communities, even if it is unintentional. Federal law requires that federally funded programs, including CDBG-DR/MIT, are implemented in a manner that does not deny any individuals the opportunity to participate in, access, or benefit from the CDBG-DR/MIT Programs based on any federally or locally designated protected classes.

Subrecipients should ensure that infrastructure activities will avoid disproportionate impact on vulnerable populations and create opportunities to address economic inequities facing local communities within their jurisdiction.

For more information on the Federally or locally designated protected classes, please

that are causing or are likely to cause death or serious physical harm to his employees;
(2) shall comply with occupational safety and health standards promulgated under this Act.
b) Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to this Act which are applicable to his own actions and conduct.

visit the Fair Housing and Equal Opportunity Policy for CDBG-DR Programs (**FHEO Policy**), available at: <https://recuperacion.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/>.

2.11.5.1 Reasonable Accommodations & Modifications

Under Section 504 of the Rehabilitation Act of 1973, as amended, federally funded programs are required to make reasonable accommodations and modifications for individuals with disabilities. The purpose of Section 504 is to avoid discrimination and ensure that individuals with disabilities have an equal opportunity to access and enjoy the benefits of the Program. While requests for accommodations (changes to a rule, policy, practice, or service) and reasonable modifications (structural changes to a building or dwelling) most commonly arise in housing programs, it's important to note that Section 504 applies to all federally funded programs and activities.

Subrecipients must have a process in place for how they will provide for program participants to submit a request for accommodation or modification, how they will be evaluated in compliance with Section 504 and the Americans with Disabilities Act of 1990, as amended (**ADA**), and how this evaluation and resolution process will be documented. PRDOH has established the Reasonable Accommodation Policy to guide individuals on how to submit a non-employment related request and establishes certain requirements for Subrecipients and contractors on how to receive and evaluate reasonable accommodation and modification requests.

PRDOH and its Subrecipients will ensure that program participants are made aware of their right to request reasonable accommodations, and that every effort is made to meet the disability- related needs of requesting individuals to the maximum extent feasible, so far as providing the requested accommodations or modifications is considered reasonable.

2.11.5.2 Language Accessibility

PRDOH and Subrecipients are responsible for complying with the PRDOH Language Access Plan (**LAP**). The purpose of the LAP is to ensure meaningful access to federally assisted programs and activities for persons who, as a result of national origin, are limited in their Spanish or English proficiency. The LAP provides concrete action steps that shall be followed by Subrecipients and contractors to ensure that appropriate language services and translated vital documents are made available to potential and CDBG-DR/MIT Programs participants.

2.11.6 Uniform Relocation Assistance

As a Subrecipient, you need to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (**URA Act**) as amended, 42 U.S.C. § 4601 et seq., and section 104(d) of the Housing and Community Development Act of 1992, as amended (**HCDA**), 42 U.S.C.A. § 5301. These regulations establish minimum federal requirements for the acquisition of real property for federally funded programs and projects, and for the relocation of persons who must move from their homes, businesses, or farms as direct result of acquisition, rehabilitation, or demolition for a Federally funded program or project. ***This is when a project and all activities related to it are funded in part or in full by CDBG-DR/MIT funds.***

2.11.6.1 What is the main purpose of HUD regulations on URA?

To provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

When CDBG-DR/MIT funds are planned, intended, or used for any activity or phase of a project and the phases are interdependent, URA applies to that activity or project. This includes any property acquisition, even if CDBG-DR/MIT funds are not used to fund the purchase, if the contract to acquire property is executed with the intention of seeking CDBG-DR/MIT funds to complete the project or an interdependent phase of the project.

2.11.6.2 URA Record keeping and reports

Any entity, agency, project, or activity to which URA applies, shall properly notify in writing all affected property owners and tenants, and maintain adequate records of its acquisitions and displacement activities in sufficient detail to demonstrate compliance, as provided in 49 C.F.R § 24.9. Additionally, confidentiality of records must be maintained, unless applicable law provides otherwise.

You can look at the PRDOH's Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan (**URA & ADP Guide**), available in English and Spanish at: <https://recuperacion.pr.gov/en/download/ura-adp-guidelines/> or <https://recuperacion.pr.gov/download/guias-ura-adp/>.

2.11.7 Communications Guide

Clear and effective communication is of paramount importance for the achievement of the CDBG-DR/MIT programs' goals and objectives. The main goal of all our conscientious efforts is to enhance awareness and understanding of the needs of our citizenry, and other interested parties, outlining the benefits they can gain from CDBG-

DR/MIT key recovery and mitigation programs whilst maintaining the integrity of the recovery effort and ensuring compliance with cost principles, citizen participation guidelines, and other regulation.

This Communications Guide applies to PRDOH CDBG-DR/MIT's employees, staff, subrecipients, partners, contractors, subcontractors, consultants, vendors, and third parties, that work on CDBG- DR/MIT funded programs. This guide ensures communications are uniform, cohesive, and follow one consistent message.

A strong and cohesive message is crucial for the consistency of a program's purposes and objectives. Likewise, it enhances the effectiveness of any communication strategy implemented by the program administrators. Therefore, a communications review process for all these communications strategies is needed for assurance of message cohesiveness and transparency among program stakeholders and participants. As part of this strategy, all communication efforts intended for the promotion of the portfolios of the different recovery or mitigation programs must be reviewed by the Communications Division. Subrecipients and partners must work collaboratively with the Communications Division to develop effective communication materials and design effective outreach strategies. Contractors and vendors are not required to submit any communication efforts provided by the CDBG-DR/MIT program for content information review because it is presumed that the provided communication material has the approval of the Communications Division.

Therefore, the Communications Division has developed an evaluation process to ensure that all communications regarding the CDBG-DR/MIT Program are cohesive, transparent and in compliance with the Communications Guide, the CDBG-DR/MIT Marketing Plans, CDBG-DR Citizen Participation Plan, the FHEO, LAP, RKMA, PII and AFWAM Policies, among other CDBG- DR/MIT Program policies and any other instruction provided by the Communications Division.

PRDOH established the Content Review Tool as the principal platform for the revision of any communications material or product. All announcements and communications material must be submitted to the Communications Division through the following link: https://horne2.outsystemsenterprise.com/CDCA_TH/Login.aspx

The Communications Guide explains that Subrecipients, as implementation partners, are authorized to post information on their corresponding CDBG-DR/MIT programs social media accounts to promote and offer information regarding the CDBG-DR/MIT Programs they manage subject to the following rules:

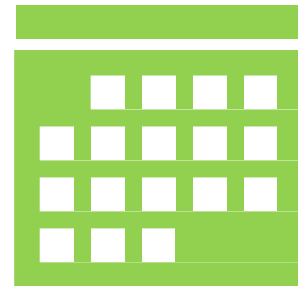
- They must tag the CDBG-DR social media account (e.g. Facebook, YouTube - Ex: @CDBG-DR Puerto Rico) and comply with all guidelines and requirements listed in this and other CDBG-DR/MIT Policies and Guidelines.
- Follow PRDOH CDBG-DR/MIT Programs Branding Guidelines with regards to CDBG- DR/MIT Program logos, color palette, and templates.
- Follow and include all Fair Housing and Equal Opportunity requirements.

For more information on the types and methods of communications accepted by PRDOH, visit the Communications Guide which is available in English and Spanish at: <https://recuperacion.pr.gov/en/download/communications-guide/> and <https://recuperacion.pr.gov/download/guia-de-comunicaciones/>.

2.12 Reports

2.12.1 Monthly Reports

A monthly report is a document which Subrecipients are required to complete and submit each month, as stipulated in the SRA, where you detail your regular monthly progress to PRDOH. The included information should relate to administrative matters and performance of your activities.

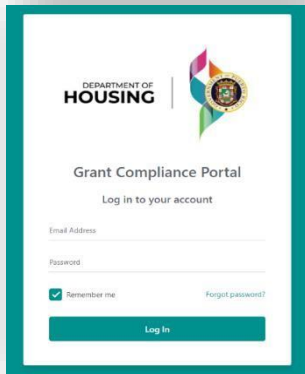


PRDOH has developed an enhanced Performance Reporting system where your organization will be able to provide general information pertaining to your administrative activities and detailed progress information on Key Activities.

Subrecipient activities of this program will be reported and monitored through the GCP³¹ platform created for PRDOH, this portal will be used by Subrecipient Contract Managers, Program Manager Point of Contact (**PM POC**), Grant Manager Points of Contact (**GM POC**), PRDOH POCs, and Subrecipient Agreement (**SRA**) Administrators to report and monitor the use of program funds. Access to the GCP Portal will require user login credentials. If you do not have login credentials, please send an email to subrecipientmanagement@vivienda.pr.gov and cc: your Program POC.

³¹ The GCP was previously known as Subrecipient Agreement Performance Reporting Portal (**SAPR**). The change of the name responded to the expansion of new modules and functionalities.

In



the GCP Portal, accomplishments for Key Deliverables and Activities, schedule changes, expenses, program income, and other transactions involving grant funds will be monitored for compliance. As such it is important that Subrecipients familiarize themselves with the system and always maintain updated records. To access GCP, [Login](#)

The Subrecipient has at its disposal the GCP Manual for Subrecipient Contract Manager Role.

Important! The portal generates the reports on the 25th of each month and the Subrecipient has until the 5th of the following month to submit the report.³²



NOTE: We emphasize that submitting the monthly reports is a contractual requirement reflected in your SRA and the approved report is a compulsory document required in the invoicing process.



The Match Programs (NFM, HMGP, and ER1) performs an analysis of FEMA-eligible Project Worksheets (PWs) and issues a final Review and Recommendation (R&R) Report, initially approving the costs submitted under the PW to justify cost share payments under the evaluated PW. The R&R serves as the basis for the revision of submitted progress payments under the project. The completion of R&R satisfies compliance requirement stated in the SRA; hence, NFM Subrecipients do not have to complete the GCP.

2.12.2 For what purposes does PRDOH use the data you include in the monthly report?

Program Areas review and evaluate the content of monthly reports to determine if Subrecipients are carrying out the activities contemplated in the SRA and performing as agreed, among other matters. You should specifically be aware that PRDOH will evaluate the progress of the Key Activities in your SRA as included in the Monthly Report

³² If the fifth (5th) of the month falls on a Saturday, Sunday or holiday, the date of submitting the report is carried over to the next business day.

to assess your performance. This will be used to assess if you are on track with performance, need technical assistance and/or to substantiate your invoices, etc. Please note that the contents of the Monthly Report or the information requested by the Program can change based on Program needs.

2.12.3 Are there any other Reports to be submitted to the PRDOH CDBG-DR/MIT Programs?

Yes! The CDBG-DR/MT Programs may require your organization to submit additional reports necessary for the Program. Your Program POC or a CDBG-DR/MT Programs contact will notify you of such need.

2.12.3.1 Federal Compliance Reports:

Please take note that the CDBG-DR/MT Program's Federal Compliance Division, responsible for the implementation of Section 3, M/WBE, Fair Housing, Davis Bacon and Related Acts, will require Subrecipients to report on these compliance areas. These compliance areas are a part of the overall requirements of your SRA and the CDBG-DR/MT Programs.

Section 3, MWBE and FHEO Quarterly Reports are collected on the following dates for each year your SRA is active:

- **January 5**
- **April 5**
- **July 5**
- **October 5**



Projects which are subject to Davis Bacon will also need to comply with the policy guide and other resources made available by PRDOH.

For any question regarding Federal Compliance Quarterly Reports, please send an email requesting assistance to: Section3CDBG@vivienda.pr.gov

2.13 SRA Closeout

2.13.1 What are your responsibilities for the SRA Closeout?

The closeout of an SRA is a process in which PRDOH determines that applicable

administrative and program requirements of the applicable SRA between PRDOH and the Subrecipient have been completed. The closeout process will include steps taken to ensure the Subrecipient:

- The subrecipient has completed all eligible activities in accordance with the terms and conditions of the SRA, program policies, and local and federal requirements;
- Progress and Financial reports are up to date and reflect the reality of the work carried out, as agreed in the SRA;
- If there were any findings of relevant irregularities, they have been resolved;
- There is no additional benefit in keeping the agreement open to ensure compliance;
- If there are any provisions related to the project closeout, the agreement will be updated to revise those provisions and indicate that the project has been completed and that PRDOH has been provided with all required documentation for closeout.

Documents demonstrating compliance must be retained by the Subrecipient for a period of **five (5) years** after the close-out of the Agreement. Personnel files must be maintained separately from correspondence and other related program files.

2.13.2 Closeout Policy



As CDBG-DR/MIT funds are fully expended and projects are completed, PRDOH, as grantee, must begin the closeout process of each Program and ultimately the Grant. PRDOH is committed to meeting the required timeframes and allocation and/or expenditure requirement for each CDBG-DR/MIT program and the overall grant allocation.

As established by 2 C.F.R. § 200.344, closeout of the federal award must occur when it is determined that all applicable administrative actions and all required work of the Federal award have been completed by the Grantee, Subrecipient and/or the non-Federal entity. As the grantee of the CDBG-DR/MIT funds, PRDOH and its subrecipients are subject to federal closeout requirements contained in 2 C.F.R. Part 200 and 24 C.F.R. Part 570.

Regarding CDBG-DR/MIT funds, there are different types of closures, namely: (a)

Activity Closure, (b) SRA Closure, (c) Program Closure, and (d) Grant Closure. However, the Subrecipient is only concerned with Activity Closure and SRA Closure.

Activity Closure marks the beginning of the closure process, which starts once all funds allocated to a specific activity, project, or program have been exhausted, and all relevant metrics have been disbursed and reported.

As for SRA Closure, PRDOH will proceed to close the SRA when it determines that the Subrecipient has completed all eligible activities in accordance with the established terms and conditions, as well as in compliance with program policies and local and federal requirements. Additionally, PRDOH will proceed to close the SRA when it determines that there are no additional benefits in keeping the agreement open to ensure compliance. The Subrecipient's responsibilities with PRDOH will not cease until all closure requirements are met.

Generally, a project is ready for closeout when the following criteria are met:

- All activities under the project are eligible, were completed, and met a national objective as described in the current Action Plan and Program Guidelines for the specific program;
- Grant funds allocated to the project were expended on necessary and reasonable costs, and any remaining funds are returned to the grant account;
- All reporting requirements were completed and submitted;
- Any special conditions were met; and
- All audit and monitoring issues affecting the project and/or grant were resolved.
- When the SRA has expired

Any real property under the jurisdiction of the Subrecipient and acquired or improved, in whole or in part, with CDBG-DR/MIT funds, including those funds provided to the Subrecipient in the form of a loan, will be managed in accordance with the provisions of 24 C.F.R. § 570.503(b)(7).

PRDOH established and published a CDBG-DR Closeout Policy that applies to all CDBG-DR/MIT programs and Subrecipients who have received CDBG-DR/MIT funds and have carried out eligible disaster recovery and/or mitigation activities. The Closeout Policy is available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/closeout-policy/> and <https://recuperacion.pr.gov/download/politica-de-cierre/>.

Furthermore, **Appendix V** includes a checklist of matters the Subrecipient should complete in preparation for the closure of their project and agreement. This list is not

exhaustive, and the program may require additional documents as needed.

2.14 Noncompliance or Nonperformance

As stated throughout this document, you are required to comply with the terms and conditions of your SRA and all federal requirements applicable to the CDBG-DR/MIT Programs, as detailed in such Agreement, the Subrecipient Management Policy, this Manual, and additional CDBG-DR/MIT documents.

This obligation entails meeting all administrative and programmatic requirements outlined in the above-referenced documents. Particularly, your organization is contractually bound to comply with the SRA provisions and to carry out the activities contained thereunder in the manner requested and agreed upon under the Scope of Work and the Timelines and Performance Goals.

Your SRA contains provisions for termination for cause if, at any point, PRDOH determines that your organization has failed to comply with any term, condition, requirement, or provision of this Agreement.

1

CDBG OVERVIEW & PURPOSE

2

SUBRECIPIENT

3

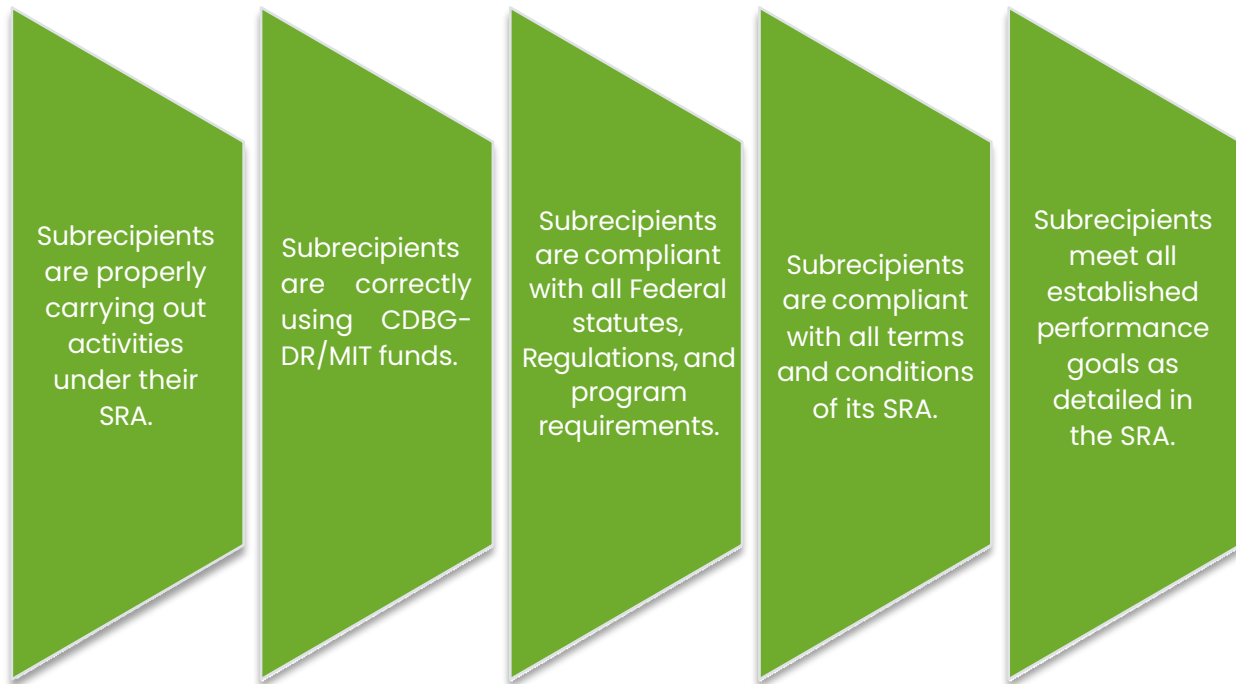
3. PRDOH RESPONSIBILITIES

HOW DOES THE PRDOH TRACK SUBRECIPIENT PERFORMANCE?

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3.1 Oversight and Subrecipient Management

As Subrecipient, you have many responsibilities in carrying out specific Program activities and managing CDBG-DR/MIT funds. As a result, PRDOH has the responsibility of establishing oversight mechanisms on Subrecipients to ensure:



To achieve the above, PRDOH has established various oversight mechanisms including policies, procedures, and tools, to ensure that Subrecipients fulfill their responsibilities with PRDOH CDBG-DR/MIT Programs. Oversight will be performed at different levels, as outlined below:



PRDOH has set various oversight mechanisms to ensure the activities carried out by you as Subrecipient on its behalf are appropriate and in compliance with your SRA and applicable laws and regulations. Program Areas are responsible for the day-to-day oversight and management of Subrecipients. The purpose is to identify any potential issues related to performance or compliance in a timely manner and to take corrective action to address them.

REMEMBER: Most problems can be solved if they are addressed in a timely manner. If you identify any issues, you need to contact your POC to address them appropriately and quickly. This allows a more productive and efficient implementation of the Programs.

Based on the above, you should expect regular PRDOH oversight efforts which will require your cooperation. This means that you must provide the information PRDOH requests, including but not limited to Monthly Reports and other data or reports.

The Program Area, as the manager of the Program and of your performance, will conduct periodic oversight activities.

Please be aware that the Disaster Recovery Deputy Secretary, the PRDOH Legal Director, and the PRDOH Finance Director (PRDOH Management) will be periodically provided with information and updates of actions taken with Subrecipients and necessary recommendations.

The above is part of PRDOH's overall efforts to ensure activities are carried out in compliance with CDBG-DR/MIT requirements, programs funds are expended in accordance with requirements, and the Program achieves success.

3.2 Monitoring

PRDOH must ensure that Subrecipients are properly carrying out activities. To meet these requirements, PRDOH has established specific oversight mechanisms to track progress and monitor performance. The purpose is to ensure that:



You are using funds for the authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the SRA; and



Your performance goals are achieved.

Because PRDOH must ensure, as Grantee, that all CDBG-DR/MIT funds are spent effectively and accomplish their intended purpose, it must monitor and conduct oversight activities for such purposes.

In accordance with your SRA, PRDOH will perform all necessary monitoring activities to ensure funds allocated to your organization under the SRA are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the Agreement. This includes adherence to specified timeframes and performance goals outlined in the SRA related to the activities included under your Scope of Work.

3.2.1 How is the monitoring process conducted?

Internal Monitoring policies and procedures call for the CDBG-DR/MIT Program to perform annual monitoring reviews on Subrecipients per the Monitoring schedule.

Upon your first draw of funds after presenting your reimbursement request, your organization will be included in the CDBG-DR/MIT Program Risk Assessment pool. The Monitoring Division will perform an assessment of your organization and determine, based on certain risk factor criteria, the type of risk associated with your organization.



Based on the results, the Monitoring Division determines the type of monitoring review it will perform on your organization. A notification will be sent to your organization advising you of the monitoring review and its details.

After completing the monitoring review, the Monitoring Division will coordinate meetings with your organization to discuss the review's results and ultimately issue a Monitoring Report.

If any deficiencies are identified, you will be required to address them within the provided timeframe. This means that if any of those findings require corrective actions, you must implement them to resolve and close the findings.

The CDBG-DR/MIT Program Monitoring Division has developed a Monitoring Manual and Plan for this process. Substandard performance, as specified in policies and procedures reviewed and approved by PRDOH, will inform determinations of noncompliance with the SRA.

3.2.2 What does the Monitoring process achieve for PRDOH?

- Meeting its responsibility of monitoring and oversight of Subrecipients carrying out CDBG-DR/MIT eligible activities.



- Ensuring that, as Subrecipient, you are carrying out activities authorized under the SRA in compliance with applicable Federal statutes, regulations, and per the terms and conditions of the SRA.
- Subrecipient progress and performance: your organization is performing and achieving the objectives included in their SRA.
- Having an efficient oversight tool to identify issues that may pose a risk to the overall CDBG-DR/MIT Programs.
- Having an efficient tool for the specific programs in the identification of possible technical assistance needs to strengthen program capacity and the quality of service delivery.

3.2.3 What types of outcomes may result from a Monitoring review or visit?

- Your organization may be assigned a higher level or risk and additional conditions to mitigate risk of non-compliance.
- PRDOH may issue management decisions³³ for audit findings pertaining to the Federal Award provided to the Subrecipient from PRDOH as required by 2 C.F.R. § 200.521.
- PRDOH may consider taking enforcement action against noncompliant Subrecipients, as described in 2 C.F.R. § 200.339, which speaks to remedies for noncompliance.

PRDOH follows HUD monitoring and oversight-related guidance. As such, you can access HUD's A Guidebook for CDBG Grantees on Subrecipient Oversight via the following link: <https://www.hudexchange.info/resource/6577/managing-cdbg-guidebook-for-cdbg-grantees-on-subrecipient-oversight/>. You can see monitoring checklists that may serve as guidance for your organization in understanding topics which may be covered in monitoring reviews.

More information regarding the monitoring process can be found in the PRDOH Monitoring Manual available at the following link: <https://recuperacion.pr.gov/en/download/monitoring-manual/>.

³³ Management decision means the evaluation by the Federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision to the auditee as to what corrective action is necessary. 2 C.F.R. § 200.521.

3.3 Auditing

As provided in your SRA and following provisions under 2 C.F.R. Part 200, you are required to make records available to PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, for auditor examination purposes. This includes any record related to matters covered by your SRA. It is important for you to understand that the above agencies have full authority to request, as they deem necessary, any relevant data for purposes, including but not limited to, auditing, examination, and/or review.



After being subject of an audit or examination, you will receive an audit report. If there are any deficient findings notified in the audit report, you are required to fully clear them within **thirty (30) days** after receipt of the audit report. Please remember that the failure of the Subrecipient to comply with the above audit requirements shall constitute a violation of your SRA and may result in the withholding of future payments and/or termination.

3.3.1 What are Common Findings of Subrecipients (as per HUD)? It is important that the Grantee create awareness not only of Subrecipient's responsibilities but also of common pitfalls found by HUD on Subrecipient's management of programs. Thus, included here for your benefit are some key pitfalls to avoid when managing grant funds:

Attention to your activities and your performance is imperative. Remember, unresolved findings could lead to PRDOH recapturing payments made to your organization. Therefore, as Subrecipient, you must be aware and conscious of your policies and controls. This section includes subrecipient responsibilities and guidance on common pitfalls. However, please note that the responsibilities included here do not substitute the responsibilities under your SRA and applicable regulations.

3.4 Recapture of Funds Policy

The Recapture of Funds Policy (**Recapture Policy**) applies to all CDBG-DR/MIT funded programs administered by PRDOH or its Subrecipients. PRDOH and its Subrecipients must make sure that CDBG-DR/MIT funds are used and disbursed in compliance with the applicable rules and regulations, Program Guidelines, Action Plans, Grant Agreements and/or Subrecipient Agreements. In addition, all funds awarded under the CDBG-DR/MIT Programs must be used in accordance with applicable policies and regulations. When CDBG-DR/MIT funds are not used in compliance with the above

requirements, recapture/repayment of funds may be required.

This policy provides uniform guidance and consistency to all CDBG-DR/MIT Program staff, Subrecipients, contractors, and Applicants or Beneficiaries in the process of recapturing funds.

The following are the most common circumstances that may result in a revision to an award, which may call for repayment from a Beneficiary or a Subrecipient:

- ✓ Duplication of Benefits (**DOB**)
- ✓ Scope of Work (**SOW**) changes
- ✓ Reduction of the original amount of the grant award or financial assistance
- ✓ Substantial Program Non-Compliance
- ✓ Voluntary Withdrawal from a program by a Beneficiary, after funds have been disbursed
 - Subrecipients may terminate their SRA as per the Suspension or Termination clauses included in their contract. Upon termination of an SRA, PRDOH retains the right to recover any improper expenditures. The Subrecipient must return any improper expenditures to PRDOH no later than **thirty (30) calendar days** after the date of termination of the SRA.
- ✓ Fraud
- ✓ Erroneously awarded funds
- ✓ Overpayment



Additional information regarding the requirements and process for the recapture of funds can be found in the Recapture Policy available in English and Spanish at: <https://recuperacion.pr.gov/en/download/recapture-of-funds-policy/> and <https://recuperacion.pr.gov/download/politica-de-recaptura-de-fondos/>.

3.5 Actions to Address Subrecipient's Noncompliance

The Subrecipient is expected to operate in accordance with the provisions and meet the requirements of their executed SRA. As the grantee, PRDOH is responsible for ensuring that all Subrecipients perform appropriately and in compliance. If any issues are identified, PRDOH is also responsible for addressing each one in a timely and efficient manner.

As part of the management and operations of the CDBG-DR/MIT Program, PRDOH assigns a POC to direct and execute each of the CDBG-DR/MIT Programs. POCs are

responsible for ensuring that their assigned programs are implemented, activities are carried out properly, and results are obtained. As such, through oversight activities conducted by the Program (which may include, but are not limited to, meetings, reviews of monthly reports, schedules, or invoices), POCs are in the best position to identify any instances of potential non-compliance and/or non-performance. When an Operational area identifies non-compliance issues, the Operational area will notify the Program Area and work together with the Program to resolve the problem with the Subrecipient.

PRDOH is allowed to take the appropriate actions to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, so that the subrecipient's noncompliance can be resolved.

As such, PRDOH has adopted oversight guidance for its Program POCs to understand how PRDOH, through its Program Areas and the PRDOH Legal Division, will objectively manage potentially non-compliant Subrecipient with SRA provisions. PRDOH POCs are provided with steps to follow for working with your organization to identify and correct any non-performance issues. These provisions cover items that include but are not limited to staffing changes reporting, monthly reporting, Section 3 reporting, procurement compliance, and meeting specific delivery of activities as outlined in the Scope of Work and the Timelines and performance goals.

3.6 Approval

This Subrecipient Manual will take effect immediately after its approval. This document supersedes any previously approved version.

END OF MANUAL



CDBG-DR/MIT GENERAL POLICIES

The following table describes the General Policies of the CDBG-DR/MIT Program. It is included to assist Subrecipients³⁴ with their responsibility to have written policies, procedures, and internal control systems that comply with the policies of the CDBG-DR/MIT Program, and other applicable laws and regulations, as stipulated in the Subrecipient Agreement signed with PRDOH.³⁵ **Subrecipients are required to follow all the listed policies, and compliance is mandatory.** These documents serve as the cornerstone of proper fund management, and Subrecipients are responsible for aligning their operations with PRDOH's standards to ensure effective implementation and accountability.

The table below is divided into two sections. **SECTION I** lists the CDBG-DR/MIT Program policies that Subrecipients must adopt and implement, as established by PRDOH. On the other hand, if Subrecipients have in place policies and procedures similar to those mentioned in the section above, they must ensure compliance with the CDBG-DR/MIT federal and state requirements. The policies that are listed in **SECTION II** of this table are not to be adopted and must be used as guidance to create their own policies and procedures. In case the subrecipients have their own policies and procedures, they must review and update their policies in accordance with the federal and state requirements. Internally generated policies must comply with the general framework established by PRDOH and align with federal, state, and local regulations governing CDBG-DR/MIT funds. Subrecipients are encouraged to use PRDOH's policies as models or examples when developing or updating their own, ensuring consistency and best practices at all levels of implementation. By leveraging PRDOH's experience and guidelines, subrecipients can streamline their policy development or update processes while maintaining the highest standards of compliance and accountability.

To ensure compliance with minimum requirements, Subrecipients must submit a Self-Certification Checklist of policies and procedures related to the CDBG-DR/MIT Program to PRDOH. Subrecipients will provide the certification directly in the **Grant Compliance Portal (GCP)** under the "My Profile" section. As part of the Self-Certification, the Subrecipient will acknowledge their responsibility to develop, update and implement all policies and procedures in compliance with PRDOH CDBG-DR/MIT policies and procedures. They must also identify the implementation method, i.e. ordinance, administrative order, corporate resolution, if applicable.

³⁴ Subrecipient: May be a public or private nonprofit agency, authority, or organization, or community-based development organization receiving CDBG-DR funds from the recipient or another subrecipient to undertake CDBG-DR eligible activities. 24 C.F.R. § 570.500(c). It is further defined at 2 C.F.R. § 200.1as an entity that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include a beneficiary or participant

³⁵ **Disclaimer:** This list may be amended from time to time to ensure that new policies and edits to previously adopted policies are included. All PRDOH CDBG-DR policies are subject to change. As changes are made, these will be communicated to the Subrecipients.

SECTION I: CDBG-DR/MIT Program Policies that Subrecipients could adopt, as established by PRDOH

SECTOR	POLICY TITLE	CDBG-DR WEBSITE LINK	SUMMARY OF APPLICABILITY
Internal Audit	Anti-fraud, Waste, Abuse, or Mismanagement Policy (AFWAM Policy)	Anti-fraud, Waste, Abuse, or Mismanagement Policy - CDBG-DR/MIT Recovery Funds	The AFWAM Policy applies to any allegations or irregularities, either known or suspected, that could be considered acts of fraud, waste, abuse, or mismanagement, involving any citizen, previous, current or potential applicant, beneficiary, consultant, contractor, employee, partner, provider, subrecipient, supplier, and/or vendor under the CDGB-DR/MIT Program.
Legal	Citizen Complaints Policy	Citizen Complaints Policy - CDBG-DR/MIT Recovery Funds	<p>The Citizen Complaints Policy applies to all PRDOH CDGB-DR/MIT complaints received regarding program administration, management, and/or operation procedures.</p> <p>Complaints received by Regional PRDOH offices, Subrecipients, Contractors, HUD, other agencies, and other CDBG-DR/MIT divisions or areas should be immediately notified to PRDOH CDBG-DR/MIT Legal Division via email or regular mail at the addresses mentioned in the Policy. Forwarded complaints will be evaluated by PRDOH upon receipt and handled appropriately.</p>
Legal	Closeout Policy	Closeout Policy - CDBG-DR/MIT Recovery Funds	This policy applies to all CDBG-DR/MIT programs and Subrecipients who have received CDBG-DR/MIT funds and have carried out eligible disaster recovery and mitigation activities.
Legal	Conflict of Interest and Standards of Conduct Policy (COI Policy)	Conflict of Interest and Standards of Conduct Policy - CDBG-DR/MIT Recovery Funds	The COI Policy applies to all PRDOH and CDBG-DR/MIT Programs employees, officers, former employees and former officers, officials, agents, contractors, vendors, consultants, as well as to recipients and subrecipients affiliated to CDBG-DR/MIT funded projects, activities and/or operations, and/or any person who participates in auction bids, submits quotes, is interested in executing contracts or agreements or seeks to receive an economic incentive through their relationship with PRDOH and CDBG-DR/MIT.
Legal	Cross-Cutting Guidelines	Cross Cutting Guidelines - CDBG-DR/MIT Recovery Funds	The requirements stated in these Cross-Cutting Guidelines apply to all programs described in PRDOH's Action Plan and all subsequent amendments, therefore it will be applicable to its subrecipients and contractors.

<p>Legal</p>	<p>Duplication of Benefits Policy (DOB Policy)</p>	<p>Duplication of Benefits Policy - CDBG-DR/MIT Recovery Funds</p>	<p>PRDOH and its Subrecipients must ensure that CDBG-DR/MIT funds are being disbursed to meet an unmet recovery need and that funds are not duplicative of benefits provided by other federal, state, local, and private sources.</p> <p>The total DOB is calculated by subtracting non-duplicative exclusions from the total assistance. After determination of the total need and assistance, non-duplicative sources are amounts that are either: 1) provided for a different purpose that PRDOH's CDBG-DR/MIT Program does not assist; or 2) assistance provided for the same purpose, but for a different allowable use.</p> <p>To avoid DOB and potential repayment of funding, PRDOH and its subrecipients must make appropriate efforts to evaluate all possible funding sources, including coordinating with other federal agencies that provide disaster assistance, before applying CDBG-DR/MIT funds to a project. This means that CDBG-DR/MIT funds are the last resource of recovery funding.</p>
<p>Legal</p>	<p>Personally Identifiable Information, Confidentiality, and Nondisclosure Policy (PII Policy)</p>	<p>Personally Identifiable Information, Confidentiality, and Nondisclosure Policy - CDBG-DR/MIT Recovery Funds</p>	<p>The PII Policy applies to PRDOH CDGB-DR/MIT programs employees, staff, providers, vendors, suppliers, contractors, subcontractors, consultants, partners, applicants, recipients, and subrecipients. This policy assures confidential and/or sensitive information remains secure and is used in the appropriate manner for which it was intended.</p>
<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Davis-Bacon and Related Acts Policy (DBRA Policy)</p>	<p>Davis Bacon And Related Acts Policy - CDBG-DR/MIT Recovery Funds</p>	<p>The Davis-Bacon Act requires the payment of prevailing wage rates to all laborers and mechanics on Federal government construction contracts in excess of \$2,000.</p> <p>By executing a CDBG-DR/MIT SRA with PRDOH, Subrecipients agree to administer and enforce all Davis- Bacon labor standards requirements and accept the responsibilities described in the DBRA Policy.</p> <p>All direct PRDOH contractors, Subrecipients and contractors of Subrecipients are responsible for factoring in costs associated with Davis-Bacon and Related Acts compliance and the corresponding wage determinations. The PRDOH is responsible for promoting and monitoring contractor compliance with Davis-Bacon standards.</p>

			<p>PRDOH requires Subrecipients using CDBG-DR/MIT funds to adopt these policies for recipients to include labor standards and wage determination clauses in all construction contracts subject to labor standard provisions. See Labor Standards - <i>Davis-Bacon and Related Acts Clauses to include in construction contracts. HUD form 5370 except in Appendix A.</i></p>
<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Fair Housing and Equal Opportunity Policy (FHEO Policy)</p>	<p>Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs - CDBG-DR/MIT Recovery Funds</p>	<p>This FHEO Policy describes requirements and protocols that have the goal of ensuring all CDBG-DR/MIT program affirmatively further fair housing and promote equal opportunity to all individuals to participate in and benefit from these programs, both as program beneficiaries and as employees working to support these programs.</p> <p>PRDOH, as grantee, and its Subrecipients, contractors, and other program participants will ensure that CDBG-DR/MIT activities are conducted in a manner which will not cause discrimination based on race, creed, color, national origin, religion, sex, disability, familial status, gender identity, sexual orientation, marital status, or age.</p> <p>The FHEO Policy describes the requirements for PRDOH, Subrecipients, and contractors, as well as provides guidance for how they apply to Housing, Economic Recovery, Planning, Infrastructure, and Multisector programs and activities. As such, PRDOH and its Subrecipients, contractors, and other program participants must comply with the federal and commonwealth laws and regulations stated in the Policy.</p>
<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Language Access Plan for all CDBG-DR & CDBG-MIT Programs (LAP)</p>	<p>Language Access Plan - CDBG-DR/MIT Recovery Funds</p>	<p>As the federal oversight agency for CDBG-DR/MIT funds, HUD requires that PRDOH, as the grantee, have policies and procedures in place to facilitate the communication between the agency and the public, including but not limited to residents, administering entities, subrecipients, contractors, and/or developers and subcontractors participating in the CDBG-DR/MIT programs outlined in the Disaster Recovery Action Plan and the Mitigation Action Plan.</p> <p>PRDOH is responsible for ensuring that all subrecipients, including contractors and sub-contractors, provide services that are accessible to linguistic minorities in the Island, as established by this Plan. This Plan sets forth policy and guidance for CDBG-DR/MIT programs to provide language access services to LEP/LSP individuals interested or participating in these federally funded programs.</p>

<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Minority and Women- Owned Business Enterprise Policy (W/MBE Policy)</p>	<p><u>MWBE Policy - CDBG-DR/MIT Recovery Funds</u></p>	<p>The W/MBE Policy establishes minimum goals for M/WBE participation to be measured based on the total contract dollar value accrued to W/MBE firms and to promote equal opportunity for participation amongst W/MBE, in all phases of CDBG-DR/MIT contracting, across Subrecipients and Contractors.</p> <p>This Policy establishes the responsibilities for Subrecipients and Contractors using CDBG-DR/MIT funding and how Subrecipients as well as Contractors can comply with the requirements for W/MBE.</p>
<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Reasonable Accommodation Policy</p>	<p><u>Reasonable Accommodation Policy - CDBG-DR/MIT Recovery Funds</u></p>	<p>PRDOH CDBG-DR/MIT and its subrecipients and contractors, shall not discriminate based on disability, on its face or as applied, while interpreting local laws, regulations, or during the administration of state or federally funded housing programs.</p> <p>The Reasonable Accommodation Policy provides consistency and guidance to all PRDOH CDBG-DR/MIT staff, subrecipients, and contractors on the handling of reasonable accommodation and modification requests they receive from individuals claiming a disability.</p> <p>This Policy is based in federal fair housing laws and automatically supersedes any existing policy and/or practice applicable to the PRDOH CDBG-DR/MIT Programs and its subrecipients and contractors, as well as all Puerto Rico laws and regulations that in any way conflict or otherwise affect disabled individuals' rightful claims to integrated and accessible housing services, reasonable accommodations and/or modifications.</p>
<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Section 3 Policy</p>	<p><u>Section 3 Policy - CDBG-DR/MIT Recovery Funds</u></p>	<p>The PRDOH CDBG-DR/MIT Program and its subrecipients, contractors, subcontractors, and subrecipient contractors are subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (Section 3).</p> <p>Section 3 requirements apply to subrecipients of the CDBG-DR/MIT Program and other Housing and Community Development program assistance for a Section 3 project(s), which by definition exceeds the \$200,000 threshold, or in the instance of designated Lead Hazard projects, \$100,000. These Section 3 Projects are held to the employment and training, contracting, and HUD established benchmarks for Section 3 Workers and Targeted Section 3 Workers.</p> <p>Subrecipients are expected to create their own Section 3 Plan and ensure oversight for their contractors on covered projects. PRDOH offers sample Section 3 plans on the PRDOH website for both subrecipients and contractors in English and Spanish.</p>

<p>Federal Compliance and Labor Standard (FCLS)</p>	<p>Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance (URA & ADP Guide)</p>	<p>URA & ADP Guidelines - CDBG-DR/MIT Recovery Funds</p>	<p>The URA Policy applies to all CDBG-DR/MIT-assisted activities that involve the acquisition of real property, easements, or the displacement of people, including displacement caused by rehabilitation and demolition activities.</p> <p>If CDBG-DR/MIT assistance is used in any part of a project, the URA governs the acquisition of real property and any resulting displacement, even if local funds were used to pay the acquisition costs.</p> <p>Private people, corporations or businesses that acquire property or displace people for a CDBG-DR/MIT- assisted project are subject to the URA.</p> <p>Under the URA, all people displaced as a direct result of acquisition, rehabilitation, or demolition, for a CDBG-DR/MIT-assisted project, are entitled to relocation payments and other assistance.</p> <p>Acquisition that takes place on or after submission for assistance to the CDBG-DR/MIT Program to fund an activity on that property is subject to URA, unless the Applicant shows that the acquisition is unrelated to the proposed CDBG-DR/MIT activity. Acquisition that takes place before the date of submission for assistance will be subjected to the URA if the PRDOH determines that the intent of the acquisition was to support a subsequent CDBG-DR/MIT activity.</p>
<p>Financial Management</p>	<p>Program Income Policy</p>	<p>Program Income Policy - CDBG-DR/MIT Recovery Funds</p>	<p>The purpose of this Policy is to set forth the definition, types, accounting, reporting, tracking, and use of program income funds following Federal requirements.</p> <p>This Policy will establish how PRDOH and its subrecipients define and manage program income.</p> <p>This Policy outlines PRDOH's CDBG-DR/MIT Financial management policies related to the management of program income as applicable to PRDOH and its subrecipients of CDBG-DR/MIT funds.</p>

SECTION II: Policies that Subrecipients must create or amend their own and implement³⁶

<p>Financial Management</p>	<p>Financial Policy</p>	<p>Financial Policy - CDBG-DR/MIT Recovery Funds</p>	<p>This policy outlines PRDOH’s CDBG-DR/MIT financial management policies in its role as grantee. The policy is intended to serve as a guide for both internal and external controls related to the financial activity of the CDBG-DR/MIT programs for use by the CDBG-DR/MIT Finance Division, other PRDOH staff, and/or PRDOH contractors and subrecipients.</p> <p>PRDOH and its subrecipients are required to adopt financial management policies that include the following key components:</p> <ul style="list-style-type: none"> ○ Internal Controls; ○ Cost Accounting and Records; ○ Budgeting; ○ Cost Principles; and ○ Reporting
<p>Legal</p>	<p>Lobbying Management Policy</p>	<p>Lobbying Management Policy - CDBG-DR/MIT Recovery Funds</p>	<p>This Policy lays down PRDOH’s responsibility and the commitment, as grantee of the CDBG-DR/MIT funds, to identify, evaluate, and disclose any unauthorized lobbying activity.</p> <p>This Policy applies to all communications and/or contacts from lobbyists received by PRDOH CDBG-DR/MIT personnel, officials, contractors, subcontractors, subrecipients, and consultants in connection with the programs supported with CDBGDR/MIT funds.</p>

³⁶ If the Subrecipient has existing policies, they must be updated to ensure continuous compliance with CDBG-DR/MIT requirements.

<p>Operations</p>	<p>Communications Guide</p>	<p>Communications Guide - CDBG-DR/MIT Recovery Funds</p>	<p>The CDBG-DR/MIT Communications Guide makes certain that programs are visible, accessible, and accountable to the citizens they seek to serve. Communications strategies will include a variety of tasks and methods and invaluable two-way communication techniques that will provide opportunities for feedback from our stakeholders. Communication efforts under these CDBG-DR communication initiatives, will be undertaken by PRDOH, its subrecipients, contractors, vendors, and/or partners. The main goal of all our conscientious efforts is to enhance awareness and understanding of the needs of our citizenry, and other interested parties, and on how they will derive benefit from CDBG-DR/MIT key recovery and mitigation programs, whilst maintaining the integrity of the recovery effort and ensuring compliance with cost principles, and citizen participation guidelines, among other regulation.</p> <p>Subrecipients, as implementation partners, are authorized to post information on their corresponding CDBG-DR/MIT programs social media accounts.</p> <ul style="list-style-type: none"> ✓ They must tag the CDBG-DR/MIT social media account (e.g., Facebook, YouTube - Ex: @CDBG-DR Puerto Rico) and comply with all guidelines and requirements listed in this and other CDBG-DR/MIT Policies and Guidelines. ✓ Follow PRDOH CDBG-DR/MIT Programs Branding Guidelines with regards to CDBG-DR/MIT Programs logos, color palette, and templates. ✓ Follow and include all Fair Housing and Equal Opportunity requirements.
<p>Operations</p>	<p>Record Keeping, Management and Accessibility Policy (RKMA Policy)</p>	<p>Record Keeping, Management, and Accessibility Policy (RKMA Policy) - CDBG-DR/MIT Recovery Funds</p>	<p>It is crucial that Subrecipients uphold and execute document retention and management policies and practices compliant with federal, state, and program requirements.</p>
<p>Safety</p>	<p>Occupational Safety & Health Policy for all CDBG-DR Programs</p>	<p>OS&H Guideline - CDBG-DR/MIT Recovery Funds</p>	<p>Act No. 16 of August 5, 1975, as amended, 29 LPRA 361, et seq., known as the "Puerto Rico Occupational Safety and Health Act", (Act 16), was adopted to ensure safety and health conditions in the workplace.</p> <p>CDBG-DR/MIT Program Subrecipients and Contractors are subject to the provisions of Act 16, and, as such, are responsible for complying with the requirements found thereunder. It is PRDOH's priority to ensure the provisions of this Policy are complied with through periodic oversight of all Program</p>

			<p>Areas with the applicable entities, Subrecipients and contractors, safety officers and any subcontractors of either entity– collectively referred to as Program Subrecipients/Program Contractors.</p> <p>CDBG-DR/MIT Programs Subrecipients and Contractors shall comply with the standards of safety and health as contained in Act 16 and provisions under Part 1926 of the Code of Federal Regulations, regarding Safety and Health Regulations for Construction (29 C.F.R. §1926.1 <i>et seq.</i>)</p>
<p>Procurement</p>	<p>2 C.F.R. §200.318 - §200.327</p>	<p>Procurement Manual for the CDBG-DR/MIT Program</p>	<p>Subrecipients have among their alternatives:</p> <ul style="list-style-type: none"> • use their own procurement policies and processes as long as these are consistent with 2 C.F.R. §200.318- §200.327, • use the PRDOH Procurement Manual as a reference in developing their own procurement processes; <p>The Subrecipient entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. 2 C.F.R. § 200.318.</p> <p>The Subrecipient entity must have written procedures for procurement transactions. 2 C.F.R. § 200.319.</p> <p>PRDOH is available to provide technical assistance to subrecipients in the development or adoption of their procurement policies.</p>

FEDERAL REGULATIONS APPLICABLE TO THE CDBG-DR/MIT PROGRAM

CITATIONS OF KEY REGULATIONS APPLICABLE TO CDBG-DR/MIT PROGRAMS

MANDATORY REQUIREMENTS	
REFERENCE(S)	REQUIREMENT(S)
2 C.F.R. PART 200, SUBPART D POST FEDERAL AWARD REQUIREMENTS	
2 C.F.R. § 200.300	Statutory and national policy requirements
2 C.F.R. § 200.301	Performance measurement
2 C.F.R. § 200.302	Financial management
2 C.F.R. § 200.303	Internal controls
2 C.F.R. § 200.304	Bonds
2 C.F.R. § 200.305	Federal Payment
2 C.F.R. § 200.306	Cost sharing or matching
2 C.F.R. § 200.307 & 24 C.F.R. § 570.503(b)(3), 24 C.F.R. § 570.504	Program income
24 C.F.R. § 570.489(f)	Revolving Funds
2 C.F.R. § 200.308	Revision of budget and program plans
2 C.F.R. § 200.309	Modifications to Period of Performance
PROPERTY STANDARDS	
2 C.F.R. § 200.310	Insurance coverage
2 C.F.R. § 200.311 & 24 C.F.R. § 570.505, 24 C.F.R. § 570.503 (b)(7)	Real property
2 C.F.R. § 200.312	Federally owned and exempt property
2 C.F.R. § 200.313	Equipment
2 C.F.R. § 200.314	Supplies

2 C.F.R. § 200.315	Intangible property
2 C.F.R. § 200.316	Property trust relationship
PROCUREMENT STANDARDS	
2 C.F.R. § 200.317	Procurement by states
2 C.F.R. § 200.318	General Procurement Standards
2 C.F.R. § 200.319	Competition
2 C.F.R. § 200.320	Methods of Procurement to be followed
2 C.F.R. § 200.321	Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms
2 C.F.R. § 200.322	Domestic preferences for procurements
2 C.F.R. § 200.323	Procurement of recovered materials
2 C.F.R. § 200.324	Contract cost and price
2 C.F.R. § 200.325	Federal awarding agency or pass-through entity review
2 C.F.R. § 200.326	Bonding requirements
2 C.F.R. § 200.327	Contract provisions
Public Law 115-56	The Continuing Appropriations Act, 2018; and the Supplemental Appropriations for Disaster Relief Requirements Act, 2017
42 U.S.C. § 6901	Resource Conservation and Recovery Act
40 C.F.R. Part 247	Procuring entities will procure only items designated in guidelines of the Environmental Protection Agency (EPA).
24 C.F.R. Part 75	Economic Opportunities for Section 3 Residents and Section 3 Business Concerns
PERFORMANCE AND FINANCIAL MONITORING AND REPORTING	
2 C.F.R. § 200.328 & 24 C.F.R. § 570.507	Financial Reporting
2 C.F.R. § 200.329	Monitoring and Reporting Program Performance
2 C.F.R. § 200.330	Reporting on Real Property
SUBRECIPIENT MONITORING AND MANAGEMENT	
2 C.F.R. § 200.331	Subrecipient and Contractor Determinations
2 C.F.R. § 200.332	Requirements for Pass-Through Entities
2 C.F.R. § 200.333	Fixed Amount Subawards

RECORD RETENTION AND ACCESS	
2 C.F.R. § 200.334 & 24 C.F.R. § 570.490	Retention Requirements for Records
2 C.F.R. § 200.335	Requests for Transfer of Records
2 C.F.R. § 200.336	Methods of Collection, Transmission, and Storage of Information
2 C.F.R. § 200.337	Access to Records
2 C.F.R. § 200.338	Restrictions on Public Access to Records
REMEDIES FOR NONCOMPLIANCE	
2 C.F.R. § 200.339 & 24 C.F.R. § 570.496	Remedies for Noncompliance
24 C.F.R. § 570.910	Corrective Actions
2 C.F.R. § 200.340	Termination
2 C.F.R. § 200.341	Notification of Termination Requirement
2 C.F.R. § 200.342	Opportunities to Object, Hearings, and Appeals
2 C.F.R. § 200.343 & 24 C.F.R. § 570.503 (b)(6)	Effects of Suspension and Termination
CLOSEOUT	
2 C.F.R. § 200.344 & 24 C.F.R. § 570.490 (d)	Closeout
POST-CLOSEOUT ADJUSTMENTS AND CONTINUING RESPONSIBILITIES	
2 C.F.R. § 200.345	Post-closeout adjustments and continuing responsibilities.
2 C.F.R. SUBPART E COST PRINCIPLES	
2 C.F.R. § 200.402	Composition of Costs
2 C.F.R. § 200.403	Factors Affecting Allowability of Costs
2 C.F.R. § 200.404	Reasonable Costs
2 C.F.R. § 200.405	Allocable Costs
2 C.F.R. § 200.406	Applicable credits
2 C.F.R. § 200.407	Prior Written Approval
2 C.F.R. § 200.408	Limitation on allowance of Costs
2 C.F.R. § 200.409	Special considerations
2 C.F.R. § 200.410	Collection of Unallowable Costs
2 C.F.R. § 200.411	Adjustment of Previously Negotiated Indirect (F&A) cost rates containing unallowable costs

DIRECT AND INDIRECT COSTS

2 C.F.R. § 200.412	Classification of Costs
2 C.F.R. § 200.413	Direct Costs
2 C.F.R. § 200.414	Indirect (F&A) Costs
2 C.F.R. § 200.415	Required certifications
2 C.F.R. § 200.420-476	General Provisions for Selected Items of Cost
Puerto Rico Department of Treasury Regulation No. 37 and No. 38	Subrecipients must develop and implement travel and expense policies compliant with the PRDOH Financial Policy or adopt the Department of Treasury of Puerto Rico Regulation No. 37 (Travel Expense Regulation) and No. 38 (Travel Abroad)

2 C.F.R. SUBPART F AUDIT REQUIREMENTS

2 C.F.R. § 200.501	Audit requirements
2 C.F.R. § 200.502	Basies for determining Federal awards expended
2 C.F.R. § 200.503	Relation to other audit requirements
2 C.F.R. § 200.504	Frequency of audits
2 C.F.R. § 200.505	Sanctions
2 C.F.R. § 200.506	Audit costs
2 C.F.R. § 200.507	Program-specific audits

PART 570 REQUIREMENTS

24 C.F.R. § 570.201	Basic eligible activities
24 C.F.R. § 570.207	Ineligible activities
24 C.F.R. § 570.208	Criteria for national objectives

FINANCIAL POLICY REQUIREMENTS

REQUIREMENTS ESTABLISHED BY PRDOH GUIDANCE

SUBJECT(S)	REQUIREMENTS(S)	PRESENT
Overview	Subrecipients are required to adopt financial management policies that include the following key components: (1) Internal Controls; (2) Cost Accounting and Records; (3) Budgeting; (4) Cost Principles; and (5) Reporting.	<input type="checkbox"/>
Accounting Records/Source Documentation	Subrecipients must ensure their accounting records and supporting documentation include reliable, up-to-date information on the sources and uses of CDBG-DR/MIT funds, including: (1) Amount of federal grant awards	<input type="checkbox"/>

	received; (2) Current authorizations and obligations of funds; (3) Unobligated balances; (4) Assets and liabilities; (5) Program income; and/or (5) Actual expenditures.	
Subrecipient Accounting Records 24 C.F.R. § 570.506	Subrecipients are responsible for ensuring that separate accounting records are maintained for CDBG-DR/MIT funds in their internal accounting system and records. These records should be developed to be consistent with PRDOH CDBG-DR/MIT general accounting and record keeping policies.	<input type="checkbox"/>
Reconciliations	Subrecipients must have procedures in place to reconcile accounts and reports by comparing revenues and expenditures against disbursements for CDBG-DR/MIT funded activities.	<input type="checkbox"/>
Program Income Reconciliation	Subrecipient Program Income shall be reconciled on a quarterly basis using reports and/or account information regarding the amount of Program Income received, disbursed, and any remaining balances.	<input type="checkbox"/>
Asset Capitalization	Subrecipients must capitalize assets with a value of five hundred dollars (\$500) or more per line item. Every month, all subrecipients must submit a listing of all acquired fixed assets to the CDBG-DR/MIT Finance Division for evaluation to the finanzas_cdbgdr@vivienda.pr.gov email, assuring all subrecipients have the adequate procedures in place to control and safeguard those assets.	<input type="checkbox"/>
Annual Financial Reporting 2 C.F.R. § 200.501 2 C.F.R. § 200.503 2 C.F.R. § 200.504 2 C.F.R. § 200.512	Subrecipients that expend more than one million dollars (\$1,000,000) of federal funds in a fiscal year must perform a single audit and submit to PRDOH, upon request.	<input type="checkbox"/>

CONFLICT OF INTEREST REQUIREMENTS

MANDATORY REQUIREMENTS		
REFERENCE(S)	REQUIREMENT(S)	PRESENT
24 C.F.R. § 570.489 (h)	Conflicts of Interest Requirements	<input type="checkbox"/>
24 C.F.R. § 570.611	HUD Conflict of Interest Regulations	<input type="checkbox"/>
2 C.F.R. § 200.112	Uniform Administrative Requirements, Subpart B General Provisions: The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.	<input type="checkbox"/>
2 C.F.R. § 200.318 (c)(1) and 24 C.F.R. § 570.489(g) and (h)	Maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of CDBG-DR/MIT related contracts.	<input type="checkbox"/>

Puerto Rico Government Ethics Office Organic Act (Act 1-2012, as amended)	General Standards of Conduct	<input type="checkbox"/>
Anti-Corruption Code for the New Puerto Rico (Act 2-2018, as amended)	Standards and prohibitions concerning conflicts of interest. (33 LPRA § 1883a (b), (f), (l), (m), and (n)).	<input type="checkbox"/>
24 C.F.R. §570.611(d)(2)	Exceptions to the conflict-of-interest prohibition	<input type="checkbox"/>

AFWAM REQUIREMENTS

MANDATORY REQUIREMENTS		
REFERENCE(S)	REQUIREMENT(S)	PRESENT
83 FR 5844 and 83 FR 40314	Adequate procedures to detect and prevent fraud, waste, abuse, or mismanagement for CDBG-DR (Hurricanes Irma and María).	<input type="checkbox"/>
86 FR 569 and 87 FR 6364	Adequate procedures to detect and prevent fraud, waste, abuse, or mismanagement for CDBG-DR (2019-2020 Earthquakes and Tropical Storm Isaiás).	<input type="checkbox"/>
86 FR 32681	Adequate procedures to detect and prevent fraud, waste, abuse, or mismanagement for CDBG-DR (Energy).	<input type="checkbox"/>
84 FR 45838	Adequate procedures to detect and prevent fraud, waste, abuse, or mismanagement for CDBG-MIT.	<input type="checkbox"/>
Act 2-2018, as amended	Anti-Corruption Code for the New Puerto Rico	<input type="checkbox"/>
Act 1-2012, as amended	The Puerto Rico Government Ethics Office Organic Act	<input type="checkbox"/>
41 U.S.C. § 4712	Enhancement of Contractor Protection from Reprisal	<input type="checkbox"/>
Pub. L. 109-282	Federal Funding Accountability and Transparency Act (FFATA)	<input type="checkbox"/>

PII REQUIREMENTS

MANDATORY REQUIREMENTS		
REFERENCE(S)	REQUIREMENT(S)	PRESENT
2 C.F.R. § 200.1	Personally Identifiable Information (PII)	<input type="checkbox"/>
24 C.F.R. §5.212	Compliance with the Federal Privacy Act (5 U.S.C. § 552a)	<input type="checkbox"/>
5 U.S.C. § 552a	Federal Privacy Act of 1974	<input type="checkbox"/>
5 U.S.C. § 552a (e)	Agency Requirements/System of Records	<input type="checkbox"/>
2 C.F.R. § 200.303(e)	Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive, or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.	<input type="checkbox"/>

24 C.F.R. § 570.508	Public Access to Program Records	<input type="checkbox"/>
2 C.F.R. § 200.512 (a)(2)	Report Submission: Unless restricted by Federal statutes or regulations, the auditee must make copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information.	<input type="checkbox"/>
Act 187-2006, as amended, 18 LPRa § 926(f)	The Parameters of the Use of Social Security Number of Entities that Provide Services to the Government Act.	<input type="checkbox"/>
PRDOH's PII Policy	Adopt and properly administer PRDOH's PII Policy. Subrecipients shall ensure that processes within their PII Policies include proper training, management, and breach responses policies.	<input type="checkbox"/>
The PR Citizen Information on Data Banks Security Act, Act 111-2005, as amended, 10 LPRa § 4051, et seq.	Notification of any security breach when the data banks that suffered the breach contain PII.	<input type="checkbox"/>

REQUIREMENTS ESTABLISHED BY PRDOH GUIDANCE

SUBJECT(S)	REQUIREMENTS(S)	PRESENT
Access and Management of PII	Subrecipient employees with access to confidential or sensitive information must complete a Confidentiality and Non-Disclosure Agreement.	<input type="checkbox"/>
Disposing of PII	Subrecipients must dispose PII in accordance with recordkeeping timelines, so that it cannot be read or reconstructed.	<input type="checkbox"/>

PROCUREMENT REQUIREMENTS

REQUIREMENTS ESTABLISHED BY PRDOH GUIDANCE

SUBJECT(S)	REQUIREMENTS(S)	PRESENT
Procurement Division Personnel Roles and Responsibilities	Subrecipients shall assign, identify and maintain at all times, an adequate organizational structure with the identified personnel roles and responsibilities needed to conduct procurement activities necessary to implement the program/activity; and shall impose a segregation of duties measure to reduce the risk of erroneous and inappropriate actions and deter fraud and fraudulent acts.	<input type="checkbox"/>

Minority, Small and Section 3 Business Participation. 2 C.F.R. § 200.321 24 C.F.R. Part 75.	Subrecipients must take affirmative action to assure that Small Businesses, Minority Owned Businesses, Women Businesses, Section 3 Businesses, and labor surplus area businesses have sufficient opportunity to participate in all procurement processes financed in whole or in part with PRDOH CDBG-DR/MIT funds.	<input type="checkbox"/>
Cost or Price Analysis 2 C.F.R. § 200.324	(1) Require assurance that, before entering into a contract, contract modification, or a change of order, the cost or price is reasonable; and (2) Complete an independent cost estimate for the work to be completed.	<input type="checkbox"/>
Methods of Procurement 2 C.F.R. § 200.320	Seven primary methods shall be used to procure materials, supplies, construction, and services for CDBG-DR/MIT programs activities: (1) Micro Purchases; (2) Simplified Acquisitions; (3) Sealed Bids; (4) Competitive Proposals, including RFP, QBS, and PQL; (5) Noncompetitive Proposals; (6) GSA Schedule Purchases; and (7) Cooperative Purchasing/Intergovernmental or Interagency Agreements.	<input type="checkbox"/>
Official Records RKMA Policy	The Procuring File shall be kept for a period of five (5) years after grant close-out with HUD.	<input type="checkbox"/>
Contractor Qualifications and Duties 2 C.F.R. § 200.318(h)	(1) Prior to the award of a contract with a prime contractor, the subrecipient must obtain contractor and First Tier Subcontractor clearance, if applicable; and (2) Award Contracts or Purchase Orders only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.	<input type="checkbox"/>
Conflicts of Interest and Ethics in Public Contracting 2 C.F.R. § 200.318 (c)(1)	No subrecipient shall participate directly or indirectly in the selection, award, administration or monitoring of any Contract or Purchase Order if a conflict of interest, real or apparent, results.	<input type="checkbox"/>

OTHER ADMINISTRATIVE AND PROGRAM REQUIREMENTS

MANDATORY REQUIREMENTS		
REFERENCE(S)	REQUIREMENT(S)	PRESENT
24 C.F.R. § 570.601, § 570.602, and § 570.607	Civil Rights and Fair Housing; Employment and Contracting Opportunities	<input type="checkbox"/>
Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000 (d) et seq.	This law states that no personal 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 in any program or activity receiving Federal financial assistance.	<input type="checkbox"/>

<p>42 U.S.C. § 2000 (d) Limited English Proficiency</p>	<p>Under Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000(d) et seq., and pursuant to and in accordance with Executive Order No. 13166, Improving Access to Services for Persons With Limited English Proficiency, and HUD’s Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, dated January 22, 2007, and effective February 21, 2007 (HUD Guidance), recipients of federal financial assistance are required to take reasonable steps to ensure meaningful access to their programs and activities to individuals with Limited English Proficiency (LEP). The previously cited Executive Order No. 13166, requires programs, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with CDBG-DR/MIT financial assistance to ensure fair and meaningful access to programs and services for families and individuals with LEP and impairments disabilities. Fair access is ensured through the implementation of a Language Assistance Plan (LAP), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training.</p>	<p><input type="checkbox"/></p>
<p>Fair Housing Act, Title VIII of the Civil Rights Act of 1968, 42 U.S.C. § 3601 et seq.</p>	<p>The Fair Housing Act was amended in 1988 to provide protections from discrimination in any aspect of the sale or rental of housing for families with children and people with disabilities. The Fair Housing Act also establishes requirements for the design and construction of new rental or for sale multi-family housing to ensure a minimum level of accessibility for people with disabilities.</p>	<p><input type="checkbox"/></p>
<p>Section 109 of Title 1 of the Housing and Community Development Oct of 1974, as amended (42 U.S.C. §5309 et. seq. particularly 42 U.S.C. § 6101 et seq., and 29 U.S.C. § 794</p>	<p>This law mandates the no person on the grounds of race, color, national origin, sex or religion shall be excluded from participation, denied the benefits of, or otherwise be subjected to discrimination under any activity funded in whole or part with CDBG-DR/MIT funds.</p>	<p><input type="checkbox"/></p>
<p>Affirmatively Furthering Fair Housing (AFFH)</p>	<p>Legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act 1968, as amended, 42 U.S.C. § 3601 et seq. The Fair Housing Act dictates that grantees are required to administer all programs and activities related to housing and urban development in a manner to affirmatively further the policies of said Act.</p>	<p><input type="checkbox"/></p>
<p>Section 3 of the Housing and Community Development Act of 1968, 12 U.S.C. §1701u (implemented at 24 C.F.R. Part 75)</p>	<p>Ensures economic opportunities for training and employment arising in connection with a housing rehabilitation, housing construction or other public project are given to low and very low-income people; where feasible, priority should be given to low and very low-income residents within the service area of the project or the neighborhood in which the project is located.</p>	<p><input type="checkbox"/></p>
<p>Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794</p>	<p>This section specifies that no otherwise qualified individual shall solely by reason of his and her handicap be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving Federal assistance.</p>	<p><input type="checkbox"/></p>

<p>The Americans with Disabilities Act (ADA), 42 U.S.C. § 12101 et seq.</p>	<p>This law prohibits discrimination based on disability in employment state and local governments and in places of public accommodation and commercial facilities.</p>	<p><input type="checkbox"/></p>
<p>Architectural Barriers Act of 1968 (ABA), 42 U.S.C. § 4151-4157</p>	<p>This law requires that certain buildings financed with federal funds must be designed, constructed, or altered in accordance with standards that ensure accessibility for people with physical disabilities. The ABA covers any building or facility financed in whole or in part with federal funds, except privately-owned residential structures.</p>	<p><input type="checkbox"/></p>
<p>The Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101, et seq.</p>	<p>This law provides that no person shall be excluded from participation, denied program benefits, or subjected to discrimination based on age under any program or activity receiving Federal assistance.</p>	<p><input type="checkbox"/></p>
<p>Executive Order 11246 (as amended by Executive Orders 11375 and 12086)</p>	<p>This order requires that grantees and subrecipients and their contractors and subcontractors agree not to discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.</p>	<p><input type="checkbox"/></p>
<p>24 C.F.R. § 570.603 Labor Standards</p>	<p>All laborers and mechanics employed by contractors or subcontractors on construction work in excess of \$2,000 and financed in whole or in part with CDBG funds must be paid “prevailing wages” that have been determined in accordance with the Davis-Bacon Act as amended (40 U.S.C. §§ 3141-3148).</p>	<p><input type="checkbox"/></p>
<p>Fair Labor Standards Act of 1938, 29 U.S.C. § 201</p>	<p>Fair Labor Standards Act establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of time and one-half the basic hourly rate of pay for work in excess of forty (40) hours per week.</p>	<p><input type="checkbox"/></p>
<p>Contract Work Hours and Safety Standards Act, 40 U.S.C. § 3701, et seq. 29 C.F.R. part 4, 5, 6 and 8 29 C.F.R. part 70 to 240</p>	<p>Contract Work Hours and Safety Standards Act (CWHSSA) applies to both direct Federal contracts and federally assisted contracts in excess of \$100,000.00, where those contracts require or involve the employment of laborers and mechanics and Federal wage standards are applicable.</p> <p>Under the provisions of the CWHSSA, as amended, 40 U.S.C. §§ 3701-3708, contractors and subcontractors must pay laborers and mechanics, including guards and watchmen, premium pay, or time and one-half their regular pay, plus any fringe benefits, for work in excess of forty (40) hours per week.</p>	<p><input type="checkbox"/></p>
<p>Copeland “Anti-Kickback” Act, 40 U.S.C. § 3145</p>	<p>Copeland Anti-Kickback Act supplemented the Davis-Bacon Act and prohibits a federal building contractor or subcontractor from inducing employees into giving up any part of the compensation that they are entitled to under the terms of their employment contract and establishes reporting requirements for wages paid to workers on construction sites.</p>	<p><input type="checkbox"/></p>

<p>24 C.F.R. § 570.604 Environment Requirements</p>	<p>Grantees are required to assume responsibility for environmental review, decision making under the National Environmental Policy Act of 1969. Under the applicable regulations no party, including subrecipients, may commit funds to the project, including incurring in project costs, until the grantee completes the appropriate environmental review and public notification process.</p>	<p><input type="checkbox"/></p>
<p>National Historic Preservation Act, 54 U.S.C. § 300101, et seq. (“NHPA”)</p>	<p>Subrecipient must be careful not to violate provisions of the Historic Preservation Act.</p>	<p><input type="checkbox"/></p>
<p>National Flood Insurance Program, 42 U.S.C. 4001, et seq. 24 C.F.R. § 570.605 24 C.F.R. § 570.202</p>	<p>Applicants who do not comply with the requirements of the NFIP are not eligible for assistance from the CDBG-DR/MIT Programs. Owners of HUD-assisted properties located in a Special Flood Hazard Area must purchase and maintain flood insurance in the amount and for the time provided by the FEMA National Flood Insurance Program. An applicant does not comply with FEMA if they did not obtain and maintain flood insurance after receiving federal funds for a previous disaster.</p> <p>All structures funded by the CDBG-DR/MIT Programs that are wholly or partially within the 100-year floodplain, as shown on the official Flood Insurance Rate Maps (FIRM) at the time of the grant issuance to the Applicant, will be required to purchase and maintain flood insurance.</p>	<p><input type="checkbox"/></p>
<p>Floodplain management and Protection of Wetlands Executive Order 11988 Executive Order 11990 24 C.F.R. Part 55</p>	<p>Subrecipients should select sites that are located outside of special flood hazard areas and wetlands for projects proposing new construction or substantial improvement of existing buildings.</p>	<p><input type="checkbox"/></p>
<p>Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs, 24 C.F.R. § 570.606(b) and (c)</p>	<p>A subrecipient must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and the Residential Anti-displacement and Relocation Assistance Plan under section 104(d) of the HCD Act.</p> <p>The subrecipient must provide relocation assistance to families, individuals, businesses, nonprofit organizations, and farms that are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG-DR/MIT assisted project.</p>	<p><input type="checkbox"/></p>
<p>Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. § 4821-4846 24 C.F.R. § 570.608 24 C.F.R. Part 35</p>	<p>Lead Based Paint. CDBG-DR/MIT funded activities, such as acquisition, construction, or rehabilitation of residential structures, may not use lead-based paint.</p>	<p><input type="checkbox"/></p>

<p>31 U.S.C. § 1352 (Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions) 24 C.F.R. Part 87</p>	<p>Anti-lobbying Restrictions, no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.</p>	<input type="checkbox"/>
<p>Act 16 of August 15, 1975, 29 LPRA § 361</p>	<p>Occupational Safety and Health was adopted with the purpose of guaranteeing overall safety and health conditions in the workplace.</p>	<input type="checkbox"/>
<p>Duplication of benefits, 42 U.S. Code § 5155</p>	<p>The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, 42 U.S.C. § 5121 <i>et seq.</i>, established the requirements for Duplication of Benefits (DOB) analysis. Also, see 42 C.F.R. § 312. The duplication of benefits guidance included in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, supersedes the duplication of benefits guidance issued in Federal Register Vol. 76, No. 221 (November 16, 2011), 76 FR 71060 for CDBG-DR/MIT grants received in response to disasters declared between January 1, 2015, and December 31, 2021. As such, the duplication of benefits policy outlined in these guidelines follows the guidance issued in 84 FR 28836.</p>	<input type="checkbox"/>
<p>Drug-Free Workplace Act, 41 U.S.C. § 8101 et seq. 24 C.F.R. Subpart F</p>	<p>The Drug-Free Workplace Act of 1988 requires that any grantee other than an individual must certify that it will provide a drug-free workplace. Any grantee found in violation of the requirements of this may be subject to suspension of payments under the grant, suspension or termination of the grant, or suspension or exclusion of the recipient.</p>	<input type="checkbox"/>
<p>24 C.F.R. § 91.115</p>	<p>Citizen Participation Plan</p>	<input type="checkbox"/>



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

APPENDIX III

DOCUMENT MAINTENANCE CHECKLIST

Date Revised:

DOCUMENTS TO BE MAINTAINED	DOCUMENT SOURCE		STATUS		
	Source	Date	Complete		Location
			YES	NO	
<ul style="list-style-type: none"> Current Approved Budget 	Subrecipient/Grantee		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> Authorization Letters/Signatures 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> Financial Management Systems (accounting books, software, reporting systems) 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> Chart of Accounts 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> List of Source Documents to be maintained (receipts, invoices, canceled checks, employment letters, staff timesheets, rental or lease agreements, purchase orders, amongst other supporting documentation). 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> Financial Status Report (total budget, amount expended, unliquidated obligations, unobligated balance) 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> Program Income documentation (accounting records and supporting documentation with reliable, up-to-date information on the sources and uses (eligible activities), PRDOH Program Income Receipt Form), along with any related evidence indicating that each expenditure is necessary, reasonable, and directly related to the project. 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
<ul style="list-style-type: none"> Drawdown Request Forms 	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	

• Procurement files/ Executed Contracts/ Bid Docs	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Board Minutes for Approval of Contracts or Bids	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Purchase Orders/ Invoices	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Copy of Most Recent Audit Report	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Certification of Insurance Coverage/ Bonding	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• CDBG-DR/MIT Payroll Records	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Certified construction Payroll (Davis-Bacon applicable)	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Approved Cost-Allocation Plan	Subrecipient/Grantee		<input type="checkbox"/>	<input type="checkbox"/>	
• Relevant Financial Information Correspondence	Subrecipient/Grantee		<input type="checkbox"/>	<input type="checkbox"/>	

PROJECT MONITORING & CONTROL	Source	Date	Complete		Location
			YES	NO	
• Completed Monitoring Reports	Subrecipient/Grantee		<input type="checkbox"/>	<input type="checkbox"/>	
• National Objectives Documentation	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Eligible Activities Documentation	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Files of activities undertaken (specific individuals/ beneficiaries)	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Activity Status Report (scope, cost, schedule, Actual vs. Agreement)	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Drawdown Request/Reports	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Subrecipient Staffing	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Meeting Minutes	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Telephone Log/Notes	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Correspondence	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	

HUD MONITORING RESULTS	Source	Date	Complete		Location
			YES	NO	
• Real property inventory, Management and Change of Use	Subrecipient/Grantee		<input type="checkbox"/>	<input type="checkbox"/>	

• Anti-discrimination, Fair Housing, EEO, Section 3/ADA/504 Certifications	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Procurement files, Bonding, Insurance	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Labor Standards	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Acquisition, Displacement, Relocation, Replacement Housing	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Environmental Review	Subrecipient/Grantee		<input type="checkbox"/>	<input type="checkbox"/>	
• Loan Status Reports (economic development, rehabilitation)	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Administrative Activities	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Flood Insurance Purchase	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	

OTHER PROJECT ACTIVITY FILES	Source	Date	Complete		Location
			YES	NO	
• Plans & Specs (Rehabilitation, historic preservation)	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Orientation and Training	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	
• Citizen's Complaints	Subrecipient		<input type="checkbox"/>	<input type="checkbox"/>	



CONTRACT CHECKLIST

Prime contractor or Subcontractor: _____

Checklist Date: _____

Service: _____

This checklist helps Subrecipients verify compliance with all required federal regulations for the effective administration of contracts and subcontracts. This document is intended to serve as a guide.

I. Provisions that must be included in Contracts and Subcontracts:

Table with 12 rows under 'A. Basic Provisions' listing various contract clauses like Insurance coverage, Conflict of Interest, Independent Contractor Clause, etc., with checkboxes for Yes, No, and N/A.

II. Provisions applicable to Construction Contracts (in addition to the provisions of Section I):

Table with 3 rows under 'A. Compliance with Federal Regulations' listing Davis-Bacon Act, Housing and Community Development Act, and 29 C.F.R. § 5, with checkboxes for Yes, No, and N/A.

4. Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201-219	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
5. Contract Work Hours and Safety Standards Act (CWHSSA), 40 U.S.C. §§ 3701-3708	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
6. Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. § 1701u	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
7. Copeland "ANTI-KICKBACK" Act of June 13, 1934, 40 U.S.C. § 276c	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
8. Form 4010 Federal Labor Standards Provisions 4010.PDF (hud.gov)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
9. Wage determination: https://sam.gov/content/wage-determinations choose the correct wage determination based on the scope of work.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A



SUBRECIPIENT'S CLOSEOUT CHECKLIST

Subrecipient Name:	
<input type="checkbox"/>	All monthly reports for the program were prepared, uploaded to the <i>Grant Compliance Portal (GCP)</i> , if applicable, and approved, as stated in the <i>Subrecipient Agreement (SRA)</i> .
<input type="checkbox"/>	Quarterly reports along with the Template to document efforts ³⁷ were prepared, presented and are up to date.
<input type="checkbox"/>	Section 3 plan was submitted. ³⁸
<input type="checkbox"/>	MWBE Utilization Plan was submitted. ³⁹
<input type="checkbox"/>	The organization adopted and/or created, and implemented policies and procedures in compliance with PRDOH CDBG-DR policies and federal and state regulations, and uploaded them in the GCP , along with the Self-Certification.
<input type="checkbox"/>	The Procurement Policies and Procedures Compliance Self-Certification was completed and uploaded to the GCP .
<input type="checkbox"/>	Key Personnel indicated in the SRA is the actual staff. ⁴⁰
<input type="checkbox"/>	Designated personnel completed assigned Talent LMS courses.
<input type="checkbox"/>	The Requests for Reimbursements of activities under the SRA and consistent with the approved Budget were timely submitted with all supporting invoices, approved monthly report and any other evidence requested by PRDOH.
<input type="checkbox"/>	Monitoring, Finance and/or Programmatic Area findings, if any, were resolved.

³⁷ [Template to document efforts - CDBG \(pr.gov\)](#)

³⁸ [Contractor Section 3 Plan - CDBG \(pr.gov\)](#); [Subrecipient Section 3 plan - CDBG \(pr.gov\)](#)

³⁹ [Utilization Plan - CDBG \(pr.gov\)](#)

⁴⁰ If Key Personnel has changed, you should contact your PRDOH POC to update the information.

Maintains evidence and digital documentation required by applicable law, including but not limited to the Federal regulations specified in: (1) 2 C.F.R. Part 200; (2) 2 C.F.R. § 570.506; and (3) the applicable HUD Notices that are pertinent to the activities funded under the SRA, as well any other additional required by PRDOH.

_____ was assigned as the Custodianship of records and registries related to the program.⁴¹

Keeps evidence and organized documentation of all Procurement processes as established in 2 C.F.R. §200.318(a) and the federal and state requirements.

This checklist is a general guide of the documents and activities that will be evaluated during the Closeout process. Additional evidence or documentation may be required by the Monitoring, Finance and/or Programmatic area.

⁴¹ In accordance with 2 C.F.R. Part 200; 24 C.F.R. §570.506, and any other HUD requirement regarding activities under the SRA.



PUERTO RICO DEPARTMENT OF HOUSING CDBG-DR/MIT PROGRAM SUBRECIPIENT ANNUAL SINGLE AUDIT CERTIFICATION FORM

Entity Name _____

Date: [MM/DD/YYYY]

Contact Phone: _____

Check appropriate box:

We **have exceeded** the federal/state limit for the fiscal year [insert year]. Therefore, we will complete the Single Audit for the fiscal year [insert year] and submit the Single Audit Report to the Federal Audit Clearinghouse (FAC) within thirty (30) calendar days after receipt of the auditor's report when it is ready or within a period of nine (9) months after the end of the audited fiscal year, whichever comes first. If this category is checked, skip down to signature section.

We **did not exceed** the federal/state limit for the fiscal year [insert year]. Therefore, a Single Audit is not required for this fiscal year. **(Fill out Federal and State Funds Schedules below)**

Must be filled out only if Single Audit or Program Audit is NOT required

FEDERAL FUNDS SCHEDULE

Federal Grantor	Pass-through Grantor	Program Name & CFDA Number	Contact Phone	Expenditures
Total Federal Expenditures for the Fiscal Year				\$

STATE FUNDS SCHEDULE

State Grantor	Pass-through Grantor (if any)	Program Name	Contact Phone	Expenditures
Total State Expenditures for the Fiscal Year				\$

Authorized Signature

Printed Name

Title

Mailing Address

City, State

Zip code

Email address

Phone number

Fax number

*Failure to submit a Single Audit Form (**SAF**) or similar financial information or submitting an incomplete SAF or a Single Audit package as described in the audit requirements by the required due date, could affect funding on all existing contracts, eligibility to apply under the PRDOH CDBG-DR/MIT programs and the initiation of any newly awarded contracts. Subrecipient understands and acknowledges its responsibility to submit the Single Audit Report to the FAC within regulatory timeframes as stated above.*

WARNING: An Entity is guilty of falsification and fraud for knowingly and willingly making false or fraudulent statements to any department of the United States Government, according to the 18 U.S.C. § 287, 18 U.S.C. § 1001(a)(1)-(3) and the 31 U.S.C. § 3729.

Submit this form within **sixty (60) days** after the end of the fiscal year:

- **Via email at:** [Monitoring Division Email]
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
Attn: CDBG-DR/MIT Monitoring Division
P.O. Box 21365
San Juan, PR 00928-1365