



DEPARTMENT OF
HOUSING



CDBG-DR SUBRECIPIENT MANUAL

Applicable to all PRDOH CDBG-DR and CDBG-MIT
Programs

March 26, 2024
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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 26, 2024	Revision on topics about CDBG-DR programs descriptions -earthquakes, Tropical Storm Isaiás, 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.

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¹ Refer to the Appendices Section at the end of this manual.

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CDBG-DR/MIT OVERVIEW & PURPOSE

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SUBRECIPIENT RESPONSIBILITIES

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PRDOH RESPONSIBILITIES

1.1 INTRODUCTION: 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 designated Puerto Rico as the recipient of Community Development Block Grant-Disaster Recovery (**CDBG-DR**) funds, with the Puerto Rico Department of Housing (**PRDOH**) acting as 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.

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-Mitigation (**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 (**HCD**) 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

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.

³ 84 FR 45838, 45840.

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 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 83 FR 5844 (Spanish version)
Federal Register Notice Vol. 83, No. 157 (Tuesday, August 14, 2018), 83 FR 40314	83 FR 40314 83 FR 40314 (Spanish version)
Federal Register Notice Vol. 85, No. 17 (Monday, January 27, 2020), 85 FR 4681	85 FR 4681 85 FR 4681 (Spanish version)
MITIGATION FUNDS	
Federal Register Notice Vol. 84, No. 169 (Friday, August 30, 2019), 84 FR 45838	84 FR 45838 84 FR 45838 (Spanish version)
Federal Register Notice Vol. 85, No. 17 (Monday, January 27, 2020), 85 FR 4676	85 FR 4676 85 FR 4676 (Spanish version)
EARTHQUAKES AND ISAÍAS RECOVERY	
Federal Register Notice Vol. 86, No. 3 (Wednesday, January 6, 2021), 86 FR 569	86 FR 569 86 FR 569 (Spanish version)
Federal Register Notice Vol. 87, No. 23 (Thursday, February 3, 2022), 87 FR 6364	87 FR 6364 87 FR 6364 (Spanish version)
ELECTRICAL POWER SYSTEM	
Federal Register Notice Vol. 86, No. 117 (Tuesday, June 22, 2021), 86 FR 32681	86 FR 32681 86 FR 32681 (Spanish version)

HURICANE FIONA & 2022 FLOODS

Federal Register Notice Vol. 88, No. 96
(Thursday, May 18, 2023), 88 FR 32046

[88 FR 32046](#)

[88 FR 32046 \(Spanish Version\)](#)

1.1.1 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-plan/>, and in Spanish at <https://recuperacion.pr.gov/plan-de-accion/>. 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 data-bbox="253 709 565 779">PUERTO RICO GEOSPATIAL FRAMEWORK PROGRAM (GEOFRAME)</p>	<p data-bbox="737 428 1325 497">Puerto Rico Geospatial Infrastructure Program (GeoFrame)</p> <p data-bbox="644 537 1419 905">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 data-bbox="282 1167 548 1220">Whole Community RESILIENCE PLANNING</p>	<p data-bbox="675 959 1386 991">Whole Community Resilience Planning Program (WCRP)</p> <p data-bbox="644 1035 1419 1289">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 data-bbox="289 1556 535 1602">Municipal Recovery PLANNING PROGRAM</p>	<p data-bbox="743 1346 1318 1377">Municipal Recovery Planning Program (MRP)</p> <p data-bbox="644 1419 1419 1635">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 data-bbox="318 1833 514 1892">VACANT PROPERTIES</p>	<p data-bbox="824 1682 1240 1713">Vacant Property Recovery (VPR)</p> <p data-bbox="644 1755 1419 1896">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</p>

PROGRAM	DESCRIPTION
	<p>communities through the implementation of code enforcement activities, including the identification, notification, and declaration of public nuisances, in accordance with applicable codes and regulations.</p>
<p>HOUSING PROGRAMS</p>	
	<p>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>Title Clearance Program (TC)</p> <p>This Program will legitimize homeowners' titles in hurricane-impacted areas, providing sustainability and safety to residents.</p>
	<p>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>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 (HC)</p> <p>This Program will provide recovering residents complementary educational services to promote understanding of housing and finance options.</p>

PROGRAM	DESCRIPTION
 <p data-bbox="289 577 532 619">HOMEBUYER ASSISTANCE PROGRAM</p>	<p data-bbox="779 403 1282 436">Home Buyer Assistance Program (HBA)</p> <p data-bbox="646 478 1416 655">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 data-bbox="240 970 587 1033">COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM</p>	<p data-bbox="690 760 1372 829">Community Energy and Water Resilience Installations Program (CEWRI)</p> <p data-bbox="646 871 1416 1087">This Program will assist homeowners that were assisted through the Repair, Reconstruction, or Relocation Program (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 data-bbox="259 1302 565 1354">CDBG-DR GAP TO LOW INCOME HOUSING TAX CREDITS PROGRAM LIHTC</p>	<p data-bbox="678 1155 1388 1224">Low Income Housing Tax Credits (LIHTC) CDBG-DR Gap Program</p> <p data-bbox="646 1266 1416 1375">This Program will provide funds using the CDBG-DR grant for properties that are being developed with low-income housing tax credits.</p>
 <p data-bbox="292 1591 519 1644">BLUE ROOF SURVEY PROGRAM</p>	<p data-bbox="868 1470 1193 1501">Blue Roof Survey Program</p> <p data-bbox="646 1543 1416 1726">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>
<p data-bbox="203 1780 803 1816">ECONOMIC DEVELOPMENT PROGRAMS</p>	

PROGRAM	DESCRIPTION
	<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 support 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>

PROGRAM	DESCRIPTION
 <p data-bbox="298 516 532 554">TOURISM & BUSINESS MARKETING PROGRAM</p>	<p data-bbox="729 373 1330 405">Tourism and Business Marketing Program (TBM)</p> <p data-bbox="646 449 1414 552">This Program develops a comprehensive marketing effort to promote off-island, that the area is open for business and tourism.</p>
 <p data-bbox="263 827 565 865">SMALL BUSINESS FINANCING PROGRAM</p>	<p data-bbox="781 665 1281 697">Small Business Financing Program (SBF)</p> <p data-bbox="646 741 1414 884">This Program offers recovery grants for small businesses that were affected by Hurricanes Irma and/or Maria and for new businesses created from hurricane damage to a previous business.</p>
INFRASTRUCTURE PROGRAMS	
 <p data-bbox="298 1222 526 1268">NON-FEDERAL MATCH PROGRAM</p>	<p data-bbox="805 1066 1255 1098">Non-Federal Match Program (NFM)</p> <p data-bbox="646 1142 1414 1245">This Program will provide the local requirement to match federal FEMA funding for identified projects while alleviating the financial burden in Puerto Rico.</p>
MULTISECTORAL PROGRAMS	
 <p data-bbox="298 1591 526 1633">CITY REVITALIZATION PROGRAM</p>	<p data-bbox="821 1392 1239 1423">City Revitalization Program (CRP)</p> <p data-bbox="646 1467 1414 1682">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>

1.1.2 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	
	<p style="text-align: center;">Infrastructure Mitigation Program (IMP)</p> <p>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).</p> <p>Includes set asides of \$1 billion for HMGP Matching funds and another \$1B for healthcare facilities.</p>

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/>.

PROGRAM	DESCRIPTION
MULTI-SECTOR PROGRAMS	
 <p>COMMUNITY ENERGY WATER RESILIENCE INSTALLATIONS MITIGATION PROGRAM</p>	<p>Community Energy and Water Resilience Installations Program (CEWRI)</p> <p>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.</p> <p>This program is composed of 3 subprograms.</p> <ul style="list-style-type: none"> • Home Energy and Water Resilience Improvements • Community Installations • Incentive Program
 <p>INFRASTRUCTURE MITIGATION PROGRAM INVESTMENT PORTFOLIO FOR GROWTH</p>	<p>Economic Development Investment Portfolio for Growth – Lifeline Mitigation Program (IPG-MIT)</p> <p>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.</p> <p>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.</p>
PLANNING PROGRAMS	
 <p>RISK AND ASSET DATA COLLECTION PROGRAM</p>	<p>Risk and Asset Data Collection Program (RAD)</p> <p>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.</p> <p>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.</p>

PROGRAM	DESCRIPTION
 <p data-bbox="224 569 597 617">MITIGATION AND ADAPTATION POLICY SUPPORT PROGRAM</p>	<p data-bbox="657 317 1404 348">Mitigation and Adaptation Policy Support Program (MAPS)</p> <p data-bbox="646 380 1417 558">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.</p> <p data-bbox="646 590 1417 726">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.</p>
 <p data-bbox="217 982 604 1031">PLANNING AND CAPACITY BUILDING PROGRAM</p>	<p data-bbox="727 758 1333 789">Planning and Capacity Building Program (PCB)</p> <p data-bbox="646 821 1417 1031">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.</p>
HOUSING PROGRAMS	
 <p data-bbox="248 1314 574 1362">SINGLE FAMILY HOUSING MITIGATION PROGRAM</p>	<p data-bbox="722 1171 1338 1203">Single-Family Housing Mitigation Program (SFM)</p> <p data-bbox="646 1230 1417 1409">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 data-bbox="277 1686 545 1734">SOCIAL INTEREST HOUSING PROGRAM</p>	<p data-bbox="699 1535 1362 1566">Social Interest Housing Mitigation Program (SIH-MIT)</p> <p data-bbox="646 1587 1417 1724">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>

PROGRAM	DESCRIPTION
 <p data-bbox="261 472 558 516">MULTI-SECTOR COMMUNITY MITIGATION PROGRAM</p>	<p data-bbox="708 338 1354 369">Multi-Sector Community Mitigation Program (MSC)</p> <p data-bbox="646 392 1417 495">This Program promotes the relocation or reconstruction of communities to reduce the risk faced by their residents and thus allow them to prosper in a less risky environment.</p>

1.1.3 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).

1.1.4 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 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

⁵ The CDBG-DR Action Plan in Response to the 2019-2020 Earthquakes and Tropical Storm Isaiás is available in English and Spanish at: <https://recuperacion.pr.gov/en/action-plans/action-plan-earthquakes-and-storm-isaias/> and <https://recuperacion.pr.gov/planes-de-accion/plan-de-accion-terremotos-y-tormenta-isaias/>.

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>

1.1.5 ELECTRICAL GRID

As per the Federal Register, specifically in 86 FR 32681, 32692, improvements to the electric power system are defined as the acquisition, construction, reconstruction, rehabilitation, or installation of centers, enhancements, or other components undertaken to expand, update, 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 consist 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
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Energy Grid Rehabilitation and Reconstruction Cost Share Cost Program (ER1)

Energy Grid Rehabilitation and Reconstruction Cost Share Cost Program (ER1)

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.



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 WHAT IS THE PURPOSE OF THIS MANUAL?

This Manual is intended to provide you, as a Subrecipient of CDBG-DR and/or CDBG-MIT funds, with guidance on grant management and compliance practices, while ensuring you adhere to applicable federal, state, and PRDOH CDBG-DR/MIT grants rules. PRDOH provides Subrecipients multi-modal support for the proper implementation of your program activities. This Manual serves to aid in furthering your 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 PRDOH Subrecipient Management Policy⁶ serves as a compliment 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 Subrecipient Management Policy establishes Subrecipient responsibilities, performance

⁶ 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/>.

expectations as it relates to the applicable SRA, and essential elements for proper Program operation applicable to the key management areas.

Some information you will find helpful in this document:



1.3 WHERE CAN I FIND ADDITIONAL GRANT MANAGEMENT RESOURCES?

Your PRDOH Point of Contact (**POC**) is responsible for assisting you in the management of your program and will be responsible for the daily oversight of Subrecipients. This Manual serves as a tool to help both PRDOH program staff and Subrecipients in carrying out their responsibilities appropriately and in compliance with the terms of their SRA, applicable laws, rules, regulations, policies, and procedures.

To ensure the long-term success of all CDBG-DR/MIT programs, PRDOH is committed to ensuring compliance with federal requirements and increasing the capacity of its Subrecipients through a variety of technical assistance resources. Program information is maintained on the PRDOH public website, where general and program-specific information can be **always** accessed. Please visit: <https://recuperacion.pr.gov/en/resources/> (English) and <https://recuperacion.pr.gov/recursos/> (Spanish).

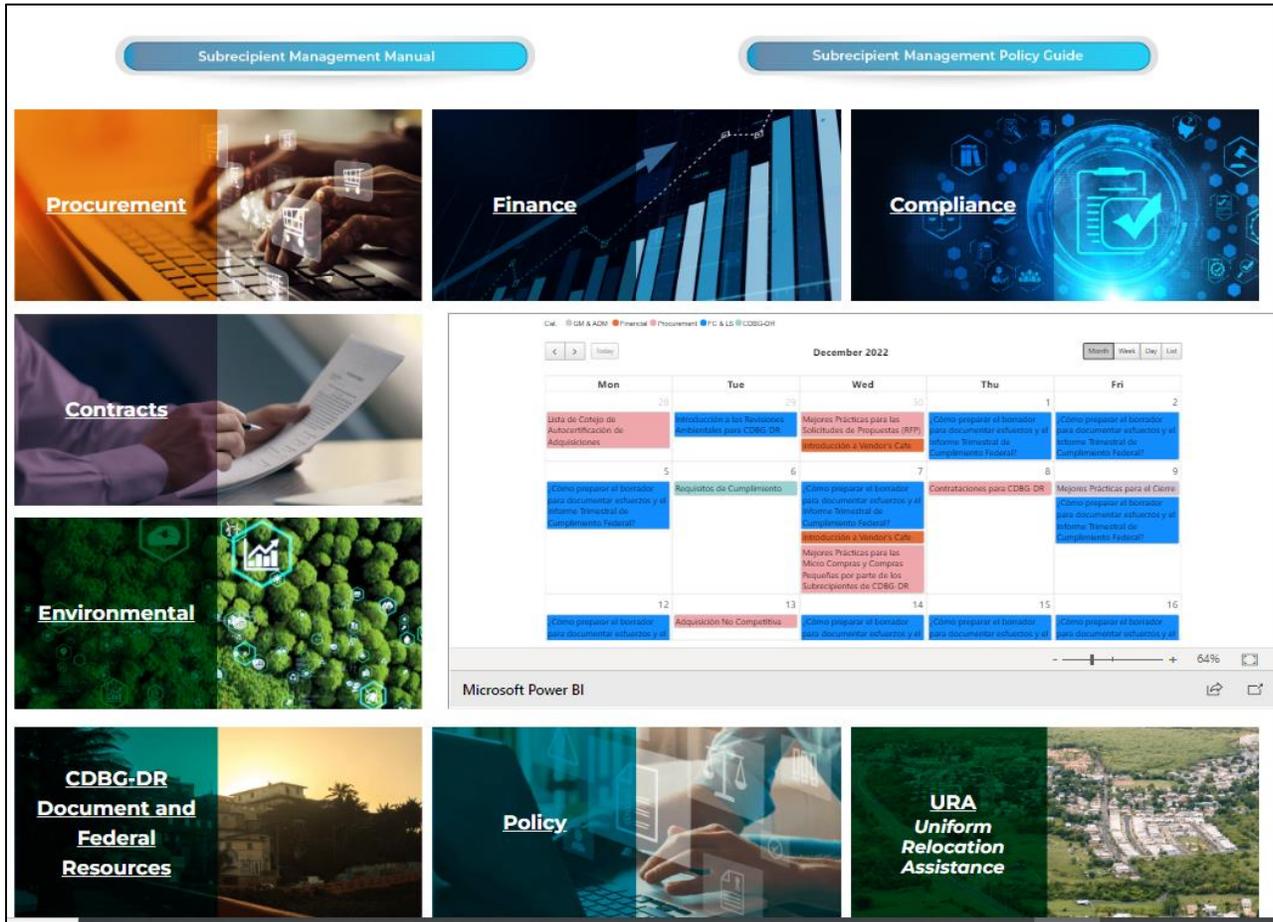
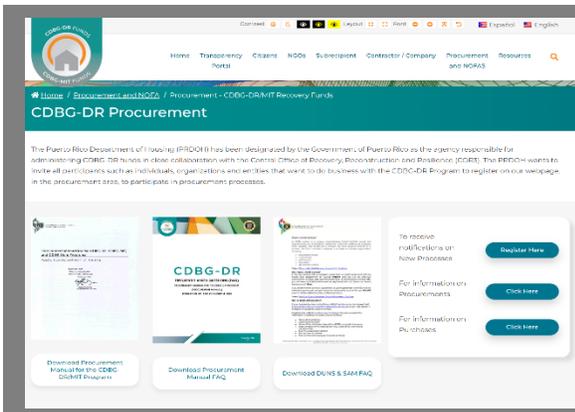


Figure 1



General Procurement Information:

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

PRDOH has launched a space on the CDBG-DR website designed exclusively for procurement processes as well as other purchases made with these funds.

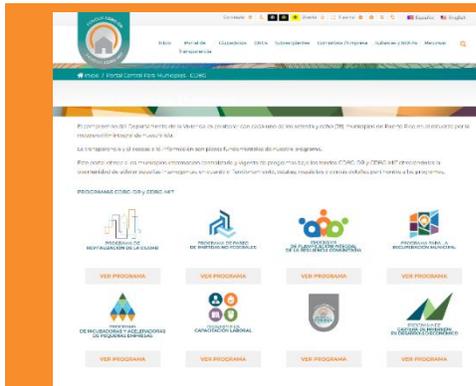
Since May 2020, a Learning Management System (LMS) platform has been available for designated Subrecipient staff to receive training on CDBG-DR/MIT concepts. New modules may be released on an ongoing basis. Subrecipients can register for access to capacity building initiatives by visiting the Registration Form at the link below and for which you can find more information in Section 2 of this Manual:

POCs Registration Form

<https://recuperacion.pr.gov/frames/learningManagementSystemRegistrationFormCDBGMITFERM.html>

Once registered, staff will receive an automatic email welcoming you to the platform and asking you to provide a password to access your account. Upon completion of registration, they will have access to all modules assigned to them.

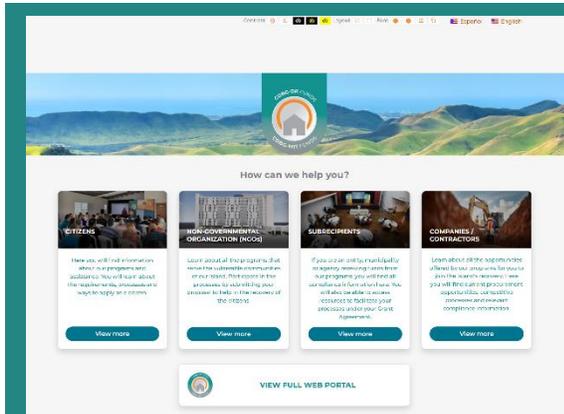
Additional resources available to Subrecipients include the following:



Municipality Portal

<https://recuperacion.pr.gov/en/central-portal-for-municipalities/>

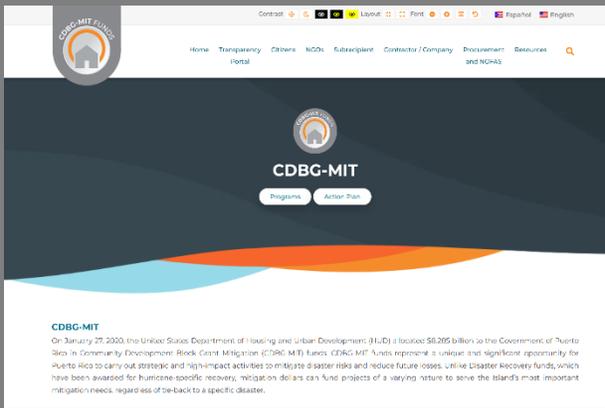
PRDOH has launched a space on the CDBG-DR website designed exclusively for municipalities. You will find direct information about the programs that interact with the town halls.



CDBG-DR

<https://recuperacion.pr.gov/welcome/en/index.html>

The PRDOH CDBG-DR portal contains information about CDBG-DR funds, the federal governing requirements, and details of each program that has been released, as well as descriptions of programs that will soon be available.



CDBG-MIT

<https://recuperacion.pr.gov/en/cdbg-mit/>

PRDOH offers a portal dedicated to CDBG-MIT, with information pertinent to mitigation funds, the federal governing requirements, details of released programs, description of programs that will soon be available, as well as updates on the progress of the CDBG-MIT Action Plan.

1.4 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.**⁷

1.4.1 WHO IS A SUBRECIPIENT?



A SUBRECIPIENT

GOVERNMENTAL ENTITIES
such as government agencies and municipalities

PRIVATE NON-PROFITS ORGANIZATIONS

PRIVATE FOR-PROFITS ORGANIZATIONS
only as authorized under 24 C.F.R. § 570.201 (o).

NOT A SUBRECIPIENT

CONTRACTOR OF COMPETITIVELY PROCURED SERVICES

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

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

⁷ See 2 C.F.R. § 200.331.

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.

1.5 ELIGIBLE ACTIVITIES UNDER THE CDBG-DR/MIT PROGRAMS

1.5.1 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 Plan (<https://recuperacion.pr.gov/en/action-plan/>). Program Guidelines (<https://recuperacion.pr.gov/en/programs/>) further provide which activities are eligible under your specific PRDOH CDBG-DR or CDBG-MIT Program. However, your SRA contains the details of the activities for which you have been engaged as a Subrecipient.

EXAMPLE ELIGIBLE ACTIVITIES LIST IN ACTION PLAN PROGRAM⁸

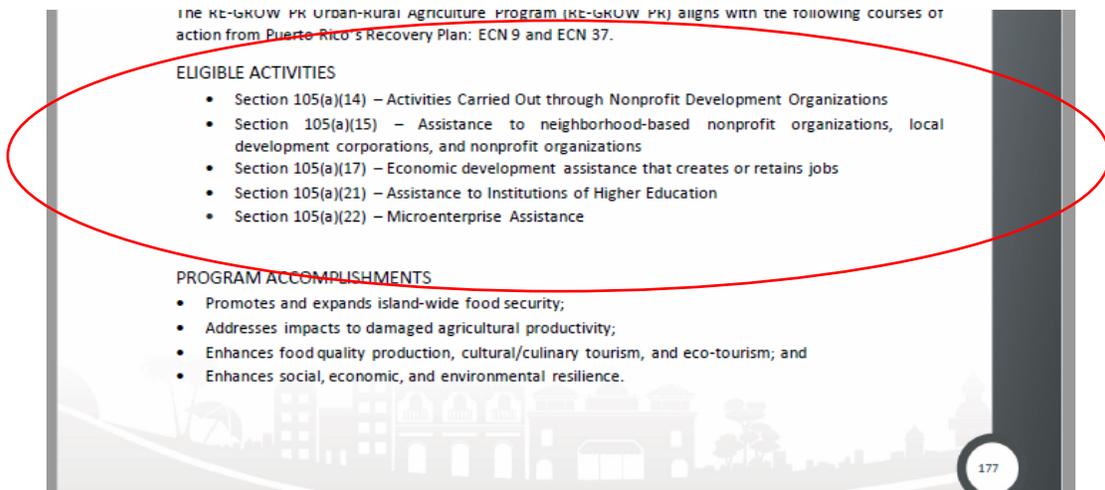


Figure 2

⁸ See CDBG-DR Action Plan Substantial Amendment 9: <https://recuperacion.pr.gov/en/download/9th-amendment-to-the-cdbg-dr-action-plan-substantial-effective-on-december-30-2022/>.

EXAMPLE ELIGIBLE ACTIVITIES LIST IN PROGRAM GUIDELINES

4.2 Eligible Activities

Eligible activities for this Program, per the Housing and Community Development Act of 1974, 42 U.S.C. § 5305 (Activities eligible for assistance), are:

1. Section 105(a)(22) – Microenterprise Assistance;
2. Section 105(a)(17) – Economic development assistance that creates or retains jobs;
3. Section 105(a)(14) – Activities Carried Out through Nonprofit Development Organizations;
4. Section 105(a)(15) - Assistance to neighborhood-based nonprofit organizations, local development corporations, and nonprofit organizations; and
5. Section 105(a)(21) – Assistance to Institutions of Higher Education.

4.3 Eligible Costs

Eligible costs for the Re-Grow Program are listed in the tables below. Note these lists are not all inclusive but rather include most of the costs and should give applicants a clear picture of the kinds of costs that are program eligible. Eligible costs will be evaluated based on farming discipline and proposed use. Furthermore, proposed costs shall fall into one of the categories established in Table 1.

Figure 3

9

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)¹⁰;
- 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 Projects¹¹ and show how it is met. Please see the National Objectives section for more information on how to document compliance with national objectives.
- Meet the definition of mitigation activities.

⁹ Re-grow Program Guidelines: <https://recuperacion.pr.gov/en/download/re-grow-pr-urban-rural-agriculture-program/>.

¹⁰ 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 assigned funds, <https://recuperacion.pr.gov/en/resources/federal-register/>.

¹¹ 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)).

- 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 Federal Register Vol. 85, No. 17 (January 27, 2020), 85 FR 4676, 4677.**

1.5.2 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;
- ➔ 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.

1.6 SELECTION PROCESS CRITERIA

When administering a CDBG-DR/MIT Program, HUD permits Grantees to make program administrative decisions regarding 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:¹²

¹² See, Subrecipient Management Policy, English or Spanish version at: <https://recuperacion.pr.gov/download/politica-para-el-manejo-de-subrecipientes/> and <https://recuperacion.pr.gov/en/download/subrecipient-management-policy/>.

- 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;
- Direct Selection; 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.¹³

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 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.¹⁴

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.

¹³ 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/>.

¹⁴ *Id.*

1.6.2.1 Subrecipient Selection Process Standard Operating Procedure (SOP)

PRDOH approved the Subrecipient Selection Process SOP to standardize the method to select subrecipients to carry out eligible activities in compliance with HUD regulations established in 24 C.F.R. § 570.503.

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 has elected to deploy two (2) approaches to select Subrecipients: by creating and selecting from a pool of interested and qualified entities or by directly selecting a Subrecipient if the situation warrants it.

The creation of a pool of qualified entities enhances the efficiency and effectiveness of the CDBG-DR/MIT Program efforts by creating and managing a diverse roster of organizations that are qualified to carry out CDBG-DR/MIT activities. When the need arises, PRDOH can quickly refer to an existing pool, select a pre-screened organization to evaluate, and enter a Subrecipient Agreement. Also, the SOP ensures that PRDOH has an established manner of directly selecting Subrecipients.

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 assure 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".¹⁵

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 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).

¹⁵ Capacity of a PRDOH's Subrecipient to perform a direct selection of a subrecipient Memorandum.

1.7 SUBRECIPIENT AGREEMENT

Understanding the terms of your executed SRA is critical for understanding your responsibilities as a Subrecipient. 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.

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/MIT found in Code of Federal Regulations Title 24 (24 C.F.R.) and Title 2 (2 C.F.R.).

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. 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.



You can view your SRA by accessing the following link: <https://recuperacion.pr.gov/en/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. Your organization will also be contacted by:



- The PRDOH Finance Division to discuss matters pertaining to invoicing and reimbursement requests, as detailed in the Finance Orientation Presentation and related documents attached as **Appendix I**. There you will find a sample presentation and forms to be used by your organization.
- The PRDOH Procurement Division to discuss matters pertaining to procurement of services or goods.
- 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 PRDOH's need or discretion.

1.7.2 WHAT DO YOU NEED TO DO IN CASE OF A PROGRAMMATIC AND/OR BUDGET CHANGE?

If you need a 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.

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.

1.7.3 MANDATORY CLAUSES APPLICABLE TO SUBRECIPIENT AGREEMENTS

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 Subrecipient Agreement.

1.7.3.1 Clauses Established by Federal Law and Regulations

All Subrecipient Agreements from the PRDOH CDBG-DR/MIT Program shall contain, among others, general award information, subrecipient management responsibilities, general administration clauses, national objectives, performance goals and timelines, nonperformance standard, staffing with identified responsibilities to the identified activities, and prohibition of pre-award costs. Each SRA shall also include all other clauses required by federal and state laws, the applicable Federal Register Notice, Executive Orders, rules, and regulations, in accordance with 24 C.F.R. §570.489(g), including, without limitation¹⁶:

- a. A clause stating that Subrecipient may only carry out the roles and responsibilities described in the SRA and the activities related to the performance of the Scope of Work/Service. The Subrecipient is prohibited from charging ineligible CDBG-DR and/or CDBG-MIT activities cost to PRDOH, including those described at 24 C.F.R. § 570.207, unless waived or made eligible by an applicable Federal Register Notice, from using funds provided or personnel employed in the administration of activities under the agreement for political activities, inherently religious activities, or lobbying. The Subrecipient may be financially liable for performing activities outside the parameters of the Scope of Work/Service described.
- b. A general compliance clause stating the following:
 1. That subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5301 et seq.,

¹⁶ For more information, please consult the Contract and Subrecipient Agreement Manual <https://recuperacion.pr.gov/en/download/contract-and-subrecipient-agreement-manual/>.

and the regulations at 24 C.F.R. Part 570, as modified by the Federal Register Notices that govern the use of CDBG-DR/MIT funds available under the Agreement. This clause must clearly establish that, notwithstanding the abovementioned, (1) the Subrecipient does not assume any of the PRDOH's responsibilities for environmental review, decision-making, and action, described in 24 C.F.R. Part 58 and (2) the Subrecipient does not assume any of the PRDOH's responsibilities for initiating the review process under the provisions of 24 C.F.R. Part 52.

2. The Subrecipient shall also comply with all other applicable Federal, state, and local laws, regulations, and policies that govern the use of the CDBG-DR/MIT funds in complying with its obligations under this Agreement, regardless of whether CDBG-DR/MIT funds are made available to the Subrecipient on an advance or reimbursement basis. This includes, without limitation, applicable Federal Register Notices; 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Community Development Act of 1974, as amended; 24 C.F.R. Part 570 Community Development Block Grants; applicable waivers; Fair Housing Act; 24 C.F.R. Part 35; 24 C.F.R. Part 58; 24 C.F.R. Part 75; National Historic Preservation Act, 54 U.S.C. § 300101 *et seq.*, and any other applicable state laws or regulations, including the requirements related to nondiscrimination, labor standards and the environment; and Action Plan amendments and HUD's guidance on the funds.
 3. The Subrecipient shall comply, without limitation, with the requirements set forth in the HUD General Provisions, which must be attached and made part of the SRA.
 4. Where waivers or alternative requirements are provided for in 83 FR 5844, 83 FR 40314, 84 FR 45838, 85 FR 4676, 86 FR 569, 87 FR 6364, 86 FR 32681, as applicable, or any future Federal Register Notice published by HUD (HUD Notices), such requirements, including any regulations referenced therein, shall apply.
 5. The Subrecipient also agrees to comply with all other applicable federal, state, and local laws, regulations, HUD Notices, policies, and guidelines, whether existing or to be established, that applied to activities occurring after the date the policy or guideline was established, governing the Grant Funds provided under the SRA.
 6. In the event a conflict arises between the provisions of the Agreement and any of the foregoing, the Federal, State, and local laws, regulations, HUD Notices, policies, and guidelines shall control, and the Agreement shall be interpreted in a manner so as to allow for the terms contained there to remain valid and consistent with such Federal, State, and local laws, regulations, HUD Notices, policies and guidelines.
 7. The Subrecipient shall also comply with applicable PRDOH's policies and guidelines as established in Program Guidelines and their amendments, if any.¹⁷
- c. A clause stating that the Subrecipient shall not carry out any of the activities in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5155 *et seq.*, and

¹⁷ All CDBG-DR/MIT Program policies and guidelines 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/>.

described in Appropriations Acts. The Subrecipient must comply with HUD's requirements for duplication of benefits, detailed in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836. The Subrecipient shall carry out the activities under the Agreement in compliance with the PRDOH's procedures to prevent duplication of benefits.

- d. Drug-Free Workplace clause.
- e. Insurance & Bonding Clause.
- f. Hold Harmless clause where Subrecipient agrees to hold harmless, defend (with counsel acceptable to the PRDOH) and indemnify PRDOH and each and all of its successors, affiliates, or assigns, and any of their employees, officers, directors, attorneys, consultants, agents, managers, and affiliates, from and against any and all damages, costs, attorneys' fees, claims, expenses, injuries, property damage, causes of action, violations of law, violations of the Agreement, and losses of any form or nature arising from or related to the conduct of the Subrecipient in the performance of the efforts called for in the Agreement. This indemnity shall expressly include, but is not limited to, the obligation of the subrecipient to indemnify and reimburse PRDOH for all attorneys' fees and other litigation or dispute resolution costs incurred or to be incurred in PRDOH's enforcement of the Agreement or any portion of it against the subrecipient or otherwise arising in connection with the Subrecipient's breach, violation, or other non-compliance with the Agreement. This clause shall survive indefinitely the termination of the Agreement for any reason.
- g. PRDOH Recognition Clause where the Subrecipient shall ensure recognition of the role of HUD and PRDOH in providing funding, services, and efforts through the Agreement. Unless otherwise directed by PRDOH, all activities, facilities, and items utilized pursuant to the Agreement shall be prominently labeled as to role of HUD and of PRDOH. In addition, the Subrecipient shall include a reference to the support provided in all publications made possible with funds made available under the Agreement. PRDOH reserves the right to direct specific reasonable recognition requirements on a case-by-case basis including, but not limited to, the size and content, waiver, removal, or addition of such recognition.
- h. Logos Clause stating that the Parties will not use the name of the other party, seals, logos, emblems, or any distinctive trademark/trade name, without the prior written express authorization of the other party.
- i. The Subrecipient shall comply with the applicable provisions in 2 C.F.R. Part 200, as amended, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. These provisions include:
 1. The subrecipient shall expend and account for all CDBG-DR/MIT funds received in accordance with 2 C.F.R. Part 200, Subpart D § 200.302 - § 200.303 adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.
 2. The subrecipient shall administer its program in compliance with Cost Principles as outlined in 2 C.F.R. Part 200, Subpart E, as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.
- j. The Subrecipient shall maintain all records required by applicable law, including but not limited to the Federal regulations specified in (1) 2 C.F.R. Part 200; (2) 24 C.F.R. § 570.506; and (3) the applicable HUD Notices that are pertinent to the activities to be funded under the Agreement, as well as any additional records required by PRDOH. Such records shall include but not be limited to:
 1. Records providing a full description of each activity undertaken;

2. Records demonstrating that each activity undertaken meets one of the National Objectives of CDBG-DR/MIT programs, as modified by the HUD notices;
 3. Records required to determine the eligibility of activities;
 4. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG-DR/MIT funds;
 5. Records documenting compliance with the fair housing and equal opportunity components of the CDBG-DR/MIT program;
 6. Financial records as required by (1) 24 C.F.R. § 570.502; and (2) 2 C.F.R. Part 200;
 7. Other records necessary to document compliance with 24 C.F.R. Part 570, Subpart K.
- k. The Subrecipient shall furnish and cause each of its own subcontractors to furnish all information and reports required and shall permit access to its books, records and accounts by the PRDOH, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the applicable rules, regulations and provisions.
- l. The Subrecipient shall retain all official records on programs and individual activities, which shall be retained for the greater of **five (5) years**, starting from the closeout of the grant between PRDOH and HUD, or the end of the affordability period for each housing activity, whichever is longer. If any other laws and regulations as described in 24 C.F.R. § 570.490 apply to a project, the record retention period may be extended. All records involved in litigation, claims, audits, negotiations, or other actions, which have started before the expiration date of their retention, will be kept until completion of the action and resolution of all issues or the end of the regular **five (5) year** period, whichever is longer. Records shall be made available to PRDOH upon request.
- m. If the Subrecipient comes to possess client data and other sensitive information as a result of the Agreement, then the Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to PRDOH monitors or their designees for review upon request.
- n. The Subrecipient must comply with 2 C.F.R. §200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.1, and other information HUD or the PRDOH designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality. Additionally, the Subrecipient must comply with the PRDOH CDBG-DR/MIT Personal Identifiable Information Policy.¹⁸
The Subrecipient shall comply with all State or local requirements concerning the privacy of personal records, consistent with 24 C.F.R. § 570.508 (local governments) and § 570.490(c) (States).
- o. Closeout Clause, which details closeout period requirements and activities.
- p. Clause stating that all Subrecipient records with respect to any matters covered by the Agreement shall be made available to the PRDOH, HUD, and the Comptroller General of the United States, or any of their authorized representatives, at any time during normal

¹⁸ Personal Identifiable Information, Confidentiality, and Nondisclosure Policy (PII Policy) and all CDBG-DR and/or CDBG-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/>.

business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within **thirty (30) days** after receipt. Failure of the Subrecipient to comply with these audit requirements shall constitute a violation of the Agreement and may result in the withholding of future payments and/or termination.

- q. The Subrecipient must be audited as required by 2 C.F.R. Part 200, Subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.
- r. The Subrecipient shall permit the PRDOH and auditors to have access to the Subrecipient's records and financial statements as necessary for the PRDOH to meet the requirements of 2 C.F.R. Part 200.
- s. The PRDOH may issue management decisions and may consider taking enforcement actions including but not limited to corrective actions in 24 C.F.R. § 570.910 if noncompliance is detected during monitoring and audits. The PRDOH may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
- t. Procurement and Contractor Oversight Clause stating that the Subrecipient shall not enter into any contract for goods or services with any entity without the written consent of the PRDOH prior to the execution of such contract. Unless specified otherwise within the Agreement, the Subrecipient shall procure all materials, property, equipment, or services in accordance with the requirements of the PRDOH's procurement policies and procedures, and 2 C.F.R. §§ 200.318-327, as applicable, including but not limited to the need to appropriately assess lease versus purchase alternatives.¹⁹
- u. The Subrecipient shall include all applicable PRDOH's Conditions (as revised from time to time by PRDOH in accordance with applicable law, rule, or regulation) in any contract entered into under the Agreement. Subrecipient shall also require all contractors to flow down PRDOH's Conditions, as well as 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 the PRDOH, and required diversity forms.
- v. The Subrecipient must comply with CDBG-DR/MIT regulations regarding debarred or suspended entities at 24 C.F.R. § 570.609 or 24 C.F.R. § 570.489(l) as appropriate. CDBG-DR/MIT funds may not be provided to excluded or disqualified persons.
- w. The Subrecipient shall maintain oversight of all activities under the Agreement and shall ensure that for any procured contract or Agreement, its contractors perform according to the terms and conditions of the procured contracts or Agreements, and the terms and conditions of the Subrecipient Agreement.
- x. Nondiscrimination clause that must include that:
 1. The Subrecipient shall comply with 24 C.F.R. Part 6, which implements the provisions of section 109 of Title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. § 5309), which provides that no person in the

¹⁹ Subrecipient procurement processes are subject to the standards set forth in 2 C.F.R. § 200.318 through 2 C.F.R. § 200.327. All Subrecipients are required to keep comprehensive records and documentation of their procurement processes to allow PRDOH to effectively carry out monitoring processes when required.

United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

2. The Subrecipient shall adhere to the prohibitions against discrimination based on age under the Age Discrimination Act of 1975 (42 U.S.C. §§ 6101- 6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR/MIT funds. Thus, the Subrecipient shall comply with regulations of 24 C.F.R. Part 8, which implement Section 504 for HUD programs, and the regulations of 24 C.F.R. Part 146, which implement the Age Discrimination Act for HUD programs.
3. The Subrecipient shall ensure that all CDBG-DR/MIT activities conducted by itself or its contractors are consistent with the applicable federal and local legal provisions, regulations, and policies that prohibit discrimination on the basis of race, creed, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation or gender identity, marital status, or age, as established in the CDBG-DR/MIT Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs.²⁰
 - y. Architectural Barriers Act of 1968 (42 U.S.C. §§ 4151-4156) and the Americans with Disabilities Act (42 U.S.C. § 12131 *et seq.*) requirements.
 - z. Clause where Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 C.F.R. § 570.607, as revised by Executive Order 13279.
 - aa. Clause stating compliance with Title VI of the Civil Rights Act of 1964 (24 C.F.R. Part 1).
 - bb. Clause establishing that Subrecipient shall take the affirmative steps listed in 2 C.F.R. § 200.321(b)(1) through (5) regarding the Women- and Minority Owned Businesses. Subrecipient must also establish compliance with the Minority and Women-Owned Business Enterprise Policy (M/WBE Policy).²¹
 - cc. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement indicating that Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.
 - dd. Labor Standards Clause, where Subrecipient shall comply with the labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended, and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under the Agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis Bacon Act, as amended (40 U.S.C. § 3141 *et seq.*), and 29 C.F.R. Parts 1, 3, 5, 6,

²⁰ The FHEO Policy is available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/> and <https://recuperacion.pr.gov/download/politica-de-equidad-de-vivienda-e-igualdad-de-oportunidades-para-los-programas-cdbg-dr/>.

²¹ The M/WBE Policy 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/>.

- and 7, provided that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than eight (8) units.
- ee. The Subrecipient must comply with the kickbacks from public works employee's prohibition (18 U.S.C. § 874) and it's implementing regulations of the U.S. Department of Labor at 29 C.F.R. Part 3 and Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to PRDOH for review upon request.
 - ff. Clause stating that the Subrecipient is prohibited from using funds provided under the Agreement or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; or nepotism activities.
 - gg. Clause stating that the work to be performed under the contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 - hh. Clause where parties agree to comply with HUD's regulations in 24 C.F.R. Part 75, which implement Section 3, and certify that they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.
 - ii. Clause establishing that Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Subrecipient's commitments. Additionally, the Subrecipient shall post copies of the notice in conspicuous places accessible to employees and employment applicants.
 - jj. Clause where Subrecipient agrees to include Section 3 clauses in every subcontract subject to compliance with regulations in 24 C.F.R. Part 75 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 75. The Subrecipient will not subcontract with any subcontractor where the Subrecipient has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 75.
 - kk. Clause where Subrecipient acknowledges that subrecipients, contractors, and subcontractors are required to meet the employment, training, and contraction requirements of 24 C.F.R. § 75.19, regardless of whether Section 3 language is included in the Subrecipient Agreement or contracts.
 - ll. Clause certifying that any vacant employment positions, including training positions, that are filled (1) after the Subrecipient is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the Subrecipient's obligations under 24 C.F.R. Part 75.
 - mm. Clause stating that noncompliance with HUD's regulations in 24 C.F.R. Part 75 may result in sanctions, termination of the Agreement for default, and debarment or suspension from future HUD assisted contracts.
 - nn. Clause where Subrecipient agrees to submit, and shall require its subcontractors to submit to them, quarterly reports to the PRDOH detailing the total number of labor hours worked

on the Section 3 Project, the total number of labor hours worked by Section 3 Workers, and the total number of hours worked by Targeted Section 3 Workers, and any affirmative efforts made during the quarter to direct hiring efforts to low- and very low-income persons, particularly persons who are Section 3 Workers and Targeted Section 3 Workers.

- oo. Clause regarding contracts entered in the performance of the Subrecipient Agreement with PRDOH, as follows:

Contracts

1. **Approvals:** The Subrecipient shall not enter into any contracts with any agency or individual in the performance of this Agreement without the written consent of PRDOH prior to the execution of such Agreement.
 2. **Monitoring:** The Subrecipient will monitor all contracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.
 3. **Content:** The Subrecipient shall cause all of the provisions of the contract in its entirety to be included in and made a part of any contract executed in the performance of the Agreement.
 4. **Selection Process:** The Subrecipient shall ensure that all contracts awarded for the performance of the Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements found at 2 C.F.R. §§ 200.318-200.327. Executed copies of all contracts shall be forwarded to PRDOH along with documentation concerning the selection process.
 5. **Notification:** The Subrecipient shall notify the Contract Administration Area of the PRDOH CDBG-DR/MIT Legal Division and provide a copy of all contracts related to the Agreement and CDBG-DR/MIT funds, as well as all subcontracts executed by its Contractors within **three (3) days** of its execution.
- pp. Clause stating Subrecipient shall comply **with** the Hatch Act, 5 U.S.C. §§ 1501– 1508, and shall ensure that no funds provided, nor personnel employed under the Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the United States Code.
- qq. Conflict of Interest Clause where Subrecipient agrees to abide by the provisions of 2 C.F.R. Part 200, as applicable, and 24 C.F.R. § 570.611.
- rr. Clause stating that citizen complaints or grievances received shall be referred immediately to the PRDOH CDBG-DR/MIT Programs so that PRDOH may respond appropriately.
- ss. Clause stating Technical Assistance and Trainings assistance requirement.
- tt. CDBG-DR/MIT Policies and Procedures Clause, as follows:

In addition to what is established in this Agreement, the Subrecipient shall comply with all CDBG-DR/MIT programs specific and general policies and procedures, including, but not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, Procurement Manual and Contractual Requirements, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (<https://recuperacion.pr.gov/welcome/index.html>), which are herein included and

made integral part of this Agreement, as they may be updated from time to time, and reporting requirements as established by the PRDOH.

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CDBG OVERVIEW & PURPOSE

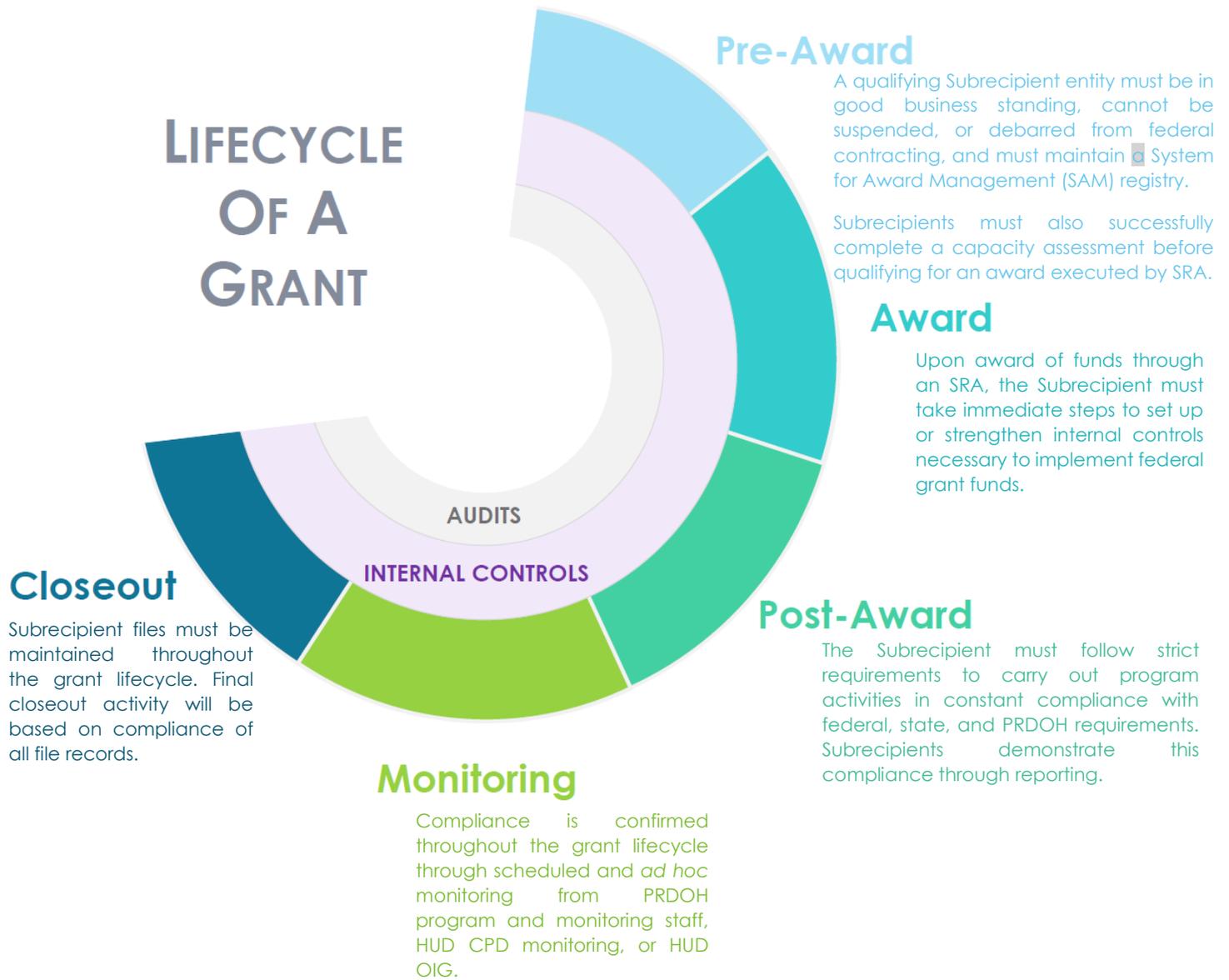
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2.1 SUBRECIPIENT RESPONSIBILITIES

As a Subrecipient of CDBG-DR or CDBG-MIT programs, your responsibilities begin before signing an 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.

2.1.1 WHAT POLICIES AND PROCEDURES DO I NEED TO HAVE IN PLACE?

Your SRA requires you to both follow general CDBG-DR/MIT Policies as well as to have specific policies and procedures **in place** that will dictate the manner in which you conduct and manage CDBG-DR/MIT activities. These policies and procedures are part of your internal controls.

For policies and procedures which you must have in place, as required under your SRA, you are responsible for meeting those requirements in the manner and timeframe included in the SRA. You can find a list of the general polices for the CDBG-DR/MIT Programs in English and Spanish at the following links: <https://recuperacion.pr.gov/en/resources/policies/> and <https://recuperacion.pr.gov/recursos/politicas/>.

Q&A

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

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

The list provides information on which policy you must adopt, and which may be used as reference to update your current 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/MIT webpage at <https://recuperacion.pr.gov/en/resources/policies/general-policies/> and <https://recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

As a Subrecipient, must your organization, adopt specific CDBG-DR/MIT Programs policies and procedures?

Yes. The CDBG-DR/MIT Program Capacity Assessment Report provides for specific policies and procedures to be developed, adopted, and/or updated by your organization based on the assessed capacity. These are then included in your SRA as special requirements for your organization to develop, update or adopt within the specified timeframe.

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

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

Your organization is required to fill out a Self-Certification Checklist. The Self-Certification is available in the Grant Compliance Portal (GCP) under the "My Profile" Section.

Your organization must submit to PRDOH the Self-Certification Checklist of policies and procedures related to the CDBG-DR/MIT Program to ensure compliance with minimum requirements. You will provide the certification directly in GCP under "My Profile" section.

Your POC or Subrecipient Management Team will inform you if your organization needs to provide additional information

Q&A

regarding the policies. The Monitoring Division will conduct periodic visits to all Subrecipients to ensure that the self-certified policies comply with PRDOH CDBG-DR/MIT Programs requirements.

2.1.2 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 III**.

2.2 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 SRA²². 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.

²² Note that the Non-Federal Match (**NFM**) Program is 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 all work submitted for cost share payment, the NFM Program shall document the validation issued by FEMA/COR3 regarding the compliance of procurement processes. For further detail please refer to the NFM Program Guidelines at <https://cdbg-dr.pr.gov/en/download/non-federal-match-program-2/>.

2.2.1 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, and as detailed in the Request for Reimbursement and Payment Instructions included in this Manual as **Appendix I**. Such document provides detailed instructions and forms to be used when submitting a reimbursement request.

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 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.

2.2.2 HOW OFTEN ARE SUBRECIPIENTS REQUIRED TO SUBMIT REIMBURSEMENTS REQUESTS?

Your SRA requires that you submit requests for reimbursements 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.

2.2.3 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. For more information regarding reimbursement procedures please see **Appendix I**.

2.2.4 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.

2.3 CAPACITY BUILDING INITIATIVES AND TECHNICAL ASSISTANCE

To ensure the long-term success of Puerto Rico's recovery, PRDOH is committed to complying with Federal administrative requirements and increasing the capacity of its Subrecipients. To facilitate Subrecipient compliance, PRDOH has developed a Capacity Building Initiatives philosophy to outline the implementation of capacity building needs.

Equally, PRDOH is committed to providing technical assistance to its Subrecipients to support the compliant implementation of programs and ensure timely contracting and expenditure of funds. Technical assistance may be provided on a scheduled basis, on an ad-hoc basis determined by an analysis of risk assessment criteria, or at the Subrecipient's request following the steps described below.

2.3.1 WHAT IS THE CORE CURRICULUM?

The SRA you signed as Subrecipient contains certain capacity building requirements with which your organization needs to comply. PRDOH has developed a Core Curriculum, as part of the Capacity Building initiatives, within the Learning Management System (**LMS**) to assist your organization in meeting those requirements. The Core Curriculum, which is comprised of a set of modules, will provide your organization with a basic understanding of CDBG-DR/MIT after you have signed your SRA. Within the modules you can find one or more courses to self-train you. As your Program progresses you may be provided additional curriculums contextualized to your particular program, as well as access to Technical Assistance. Completion of the Core Curriculum is expected prior to receiving additional capacity building initiatives.

Currently, the Core Curriculum contains the following modules:

MODULE SERIES NAME	MODULE DESCRIPTION
<p style="text-align: center;"><u>CDBG-DR</u></p> <p>CDBG-DR.101 - Overview of Community Development Block Grant - Disaster Recovery</p> <p>CDBG-DR.102 - Implementing your CDBG-DR Program</p> <p>CDBG-DR104 - Compliance Requirements</p> <p>CDBG-DR105 - Knowing CDBG-DR Funds in Puerto Rico Policies and Procedures</p>	<p>Participants will learn the basic requirements for CDBG-DR, eligible disaster activities, the national objectives requirements and the waiver process.</p>

<p>DOB.101 - Introduction to Duplication of Benefits</p>	<p>This module introduces the duplication of benefits.</p>
<p><u>Grant Management / Administration Principles</u></p> <p>GMAP.101 - Lifecycle of a CDBG-DR/MIT Grant</p> <p>GMAP.102 - Subrecipients Agreements</p> <p>GMAP.103 - Roles and Responsibilities</p> <p>GMAP.104 - Citizen Complaints</p> <p>GMAP.105 - Policies and Procedures</p> <p>GMAP.106 - Personally, Identifiable Information (PII)</p> <p>GMAP.107 - Overview of Monitoring and Risk/Capacity Assessments</p> <p>*GMAP.108 - Security Awareness Fundamentals</p>	<p>These modules introduce the roles & responsibilities of subrecipients, applicable systems to manage CDBG-DR Program data, management and reporting of citizen complaints, and Protection of Personally Identifiable Information (PII), among other topics.</p>
<p>AFWA.101 - Anti-Fraud, Waste, Abuse, or Mismanagement</p>	<p>This module introduces Anti-fraud, Waste, Abuse and Mismanagement requirements and processes. The session will also approach Conflict of Interest concepts.</p>
<p style="text-align: center;"><u>Recordkeeping</u></p> <p>RK.101 - Introduction to Recordkeeping and Retention for CDBG-DR</p> <p>RK.102 - Introduction to Financial and Performance Reporting</p> <p>RK.103 - Grant Compliance Portal – Reports</p> <p>RK.104 - GCP - Procurement & Contracts</p> <p>RK.105 - GCP - RFI & Concierge [Optional]</p>	<p>This module introduces Recordkeeping requirements and processes.</p>
<p style="text-align: center;"><u>Financial Administration</u></p> <p>FM.101 - Financial Management</p> <p>FM.102 - Cost Principles for CDBG-DR</p>	<p>These modules introduce Finance terminology and processes. The modules will also include the development of internal controls and implementation of such, as well as monitoring procedures to ensure the effectiveness of internal protocols.</p>

<p>FM.103 - Internal Controls and Accounting for CDBG-DR</p> <p>FM.10 4 - Budgets and Timely Expenditure of Funds</p> <p>FM 202 - Indirect and Direct Costs and Negotiated Indirect Cost Fee Agreements (NICRAs)</p>	
<p style="text-align: center;"><u>Procurement</u></p> <p>PROC.101 - Introduction to Procurement Based on the PRDOH Procurement Manual</p> <p>PROC.102 - Procurement Processes based on 2 C.F.R. § 200.318 - §200.327</p> <p>PROC.104 - Procurement Self-Certification Checklist Webinar</p> <p>PROC. 105 - Qualification Based Selection</p> <p>PROC.201 - Best Practices for Micro Purchase and Small Purchase by CDBG-DR Subrecipients</p>	<p>This module provides a Procurement Overview for Subrecipients, introducing Procurement terminology and processes. The module will also approach Conflict of Interest concepts relevant to Procurement Processes.</p>
<p style="text-align: center;"><u>Federal Compliance and Related Regulations</u></p> <p>DBRA.101 - Introduction to Davis Bacon and Related Acts</p>	<p>This module introduces the federal compliance statutes and other federal guidance on Davis-Bacon, its applicability, and what triggers the need to comply.</p>
<p>SEC3.101 - Introduction to Section 3 Requirements</p> <p>MWBE.101 - Introduction to Minority-and-Women Owned Business Requirements</p>	<p>This module introduces the federal compliance statutes and other federal guidance on Section 3 and M/WBE, its applicability, and what triggers the need to comply.</p>
<p>ER.101 - Introduction to Environmental Reviews for CDBG-DR</p>	<p>This module introduces Environmental Review requirements typically associated with CDBG-DR activities, timing and planning considerations for compliance, and tips and resources available to grantees.</p>
<p>URA.101 - Introduction to URA</p>	<p>This module presents the requirements and application of the dispositions of URA to the projects of the Subrecipients.</p>

<p>FHEO.101 - Introduction to Fair Housing and Equal Opportunity for CDBG-DR</p> <p>FHEO.201- Reasonable Accommodation Policy</p> <p>FHEO.202 - Language Access Plan (LAP)</p>	<p>This module presents the compliance statutes and federal guidelines regarding Fair Housing, Equal Opportunity, and other related requirements, as well as their applicability and the factors that generate the need for compliance in the various program areas.</p>
<p style="text-align: center;"><u>CDBG-MIT</u></p> <p>CDBG-MIT. 101- Overview of the Block Grant for the Community Development or Mitigation</p>	

2.3.2 WHO SHOULD COMPLETE THE CORE CURRICULUM IN THE SUBRECIPIENT'S ORGANIZATION?

As part of the sound administration of your entity in relation to CDBG-DR and CDBG-MIT funds, it is imperative that those directly involved with these funds actively participate in the program by completing the assigned modules through the portal.

Once your entity has identified the designated personnel who will complete the modules, they must register in the system through the corresponding portal. After completing the registration, the identified personnel will receive a welcome email automatically generated by the system, containing the necessary information to access the account. Upon logging in, the portal will prompt the new user to update the password. Subsequently, they will have access to all the modules assigned to them.

Please note that all modules in Talent LMS are designed to be self-guided, allowing users to complete them at their own pace, always within the timeframe set by PRDOH and in accordance with the terms outlined in the SRA. When identifying personnel to register in the system, the entity is encouraged to select **at least one (1) person from the finance and procurement department**, as some courses address information related to financial and procurement processes.

2.3.3 WHAT IS THE PROCESS TO ENROLL IN CAPACITY BUILDING INITIATIVES?

Since May 2020, the Learning Management System (LMS) has been available. All personnel working with the funds must receive training on the concepts of the CDBG-DR/MIT programs.

1. To begin the registration process, you must register at the following link: <https://recuperacion.pr.gov/iframes/LearningManagementSystemRegistrationFormCDBGMITIFRM.html>.
2. The information of the identified staff will be included in the system and an email will be automatically generated. This email may include a request for additional information. While the PRDOH Operations Division keeps documented records of such trainings, as Subrecipient, you need to keep your own records of participation.

Below you will find screenshots of the automated email in both languages for reference:

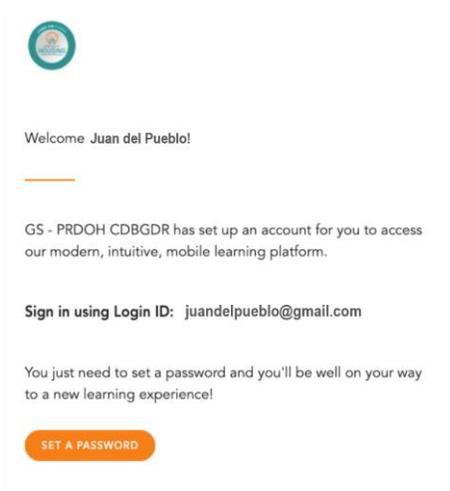


Figure 4

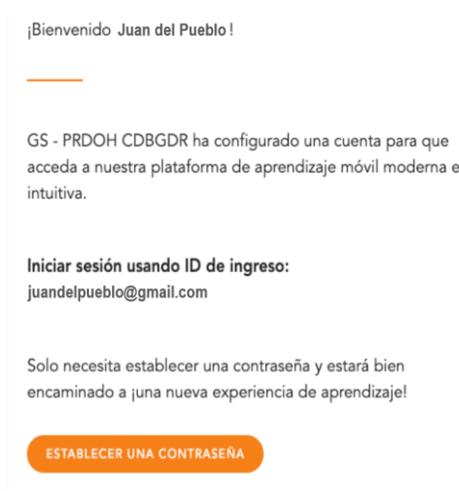


Figure 5

If any questions arise upon the completion of the module, you are encouraged to reach out to your Program POC by email. PRDOH will work with you to clarify any questions you may have related to the module content. It is possible that new modules may be published regularly.

2.3.4 IS THERE A SPECIFIC TIMEFRAME TO COMPLETE THE CAPACITY BUILDING INITIATIVES PROVIDED BY PRDOH?

Yes! The time frame for you to complete the training begins on the day the SRA is executed. Each SRA will contain the specific timeframe for these courses to be completed. (Refer to the appendix of special conditions in your SRA)

2.3.5 WHAT OTHER COURSES ARE MANDATORY?

In addition to the above and as stated in the Subrecipient Management Policy, Subrecipients are required to attend anti-fraud related training provided by the HUD Office of Inspector General (OIG) to assist in the proper management of CDBG-DR/MIT grant funds. This training will be coordinated by PRDOH and takes place once a year. You can find more information on fraud related topics in the Anti-Fraud, Waste, Abuse, or Mismanagement Policy (AFWAM Policy) which can be accessed at <https://recuperacion.pr.gov/en/resources/policies/> and <https://recuperacion.pr.gov/recursos/politicas/>.

You can contact your POC and/or the Operations Division at [CDBG-DR Trainings@vivienda.pr.gov](mailto:CDBG-DR_Trainings@vivienda.pr.gov) with questions regarding training and capacity building.

2.3.6 CAN SUBRECIPIENTS ACCESS ADDITIONAL CAPACITY BUILDING?

Yes! Technical assistance and workshops are available and serve as follow up capacity-building initiatives with program-specific details that respond to identified needs. These initiatives are

designed to address your identified areas of growth, provide more focused guidance, or answer program-specific questions.

Following the completion of the Core Curriculum, your organization may need additional support to increase its CDBG-DR/MIT capacity. If, at any point, your organization identifies the need for additional training and/ or technical assistance, you need to contact the Program Manager who will coordinate with our training area.

In this request, you must justify your request for technical assistance. This justification could be an identification of specific challenges you are experiencing or pointing out a lack of internal resources to provide guidance on a particular matter, among other things. If needed, contact your Program Manager for additional instructions on this matter.

2.3.7 CAN SUBRECIPIENTS BE ASSIGNED ADDITIONAL CAPACITY BUILDING INITIATIVES?

PRDOH may provide technical assistance to organizations identified through PRDOH's monitoring processes for additional and/or customized assistance as needed. In this event, the POC may contact your organization to indicate that technical assistance is required to carry out activities and the dates for completion.

2.4 SUBRECIPIENT CDBG-DR/MIT REQUIREMENTS GUIDANCE

Fulfilling your Subrecipient responsibilities is key to avoiding compliance pitfalls that could lead to the recapture of funds. As HUD is the oversight entity for the CDBG-DR/MIT federal grant funds and PRDOH is the state pass-through entity, both PRDOH and HUD monitor for compliance with these responsibilities throughout the life of your grant award. Additional guidance on reporting and monitoring is further described in this Manual.

As a best practice, PRDOH advises consistent compliance from start to finish to avoid any instances of non-compliance.

2.4.1 WHAT ARE COMMON FINDINGS OF SUBRECIPIENTS (AS PER HUD)?

The Grantee needs to create awareness not only of Subrecipient 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:

- Financial Management: Fiscal Controls and Accounting Procedures
- Record keeping requirements under 24 C.F.R. § 570.490
- Duplication of Benefit requirements under Section 312 of the Stafford Act

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. Subrecipient responsibilities and guidance related to common pitfalls are included in this section. However, please note that the responsibilities included here do not substitute the responsibilities under your SRA and applicable regulations.

2.4.2 WHAT ARE SUBRECIPIENT'S FINANCIAL MANAGEMENT RESPONSIBILITIES?

As you should know, there are several regulatory provisions which govern the financial management systems of CDBG-DR/MIT funds. You can find these provisions 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 execution 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**.

2.4.3 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.

2.4.4 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).



Have written accounting procedures for approving and recording transactions- (this may include but is not limited to, specifying approval authority for financial transactions and guidelines for controlling expenditures).



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 protecting resources and most importantly any possible instance of fraud or misuse of CDBG-DR/MIT funds and assets.

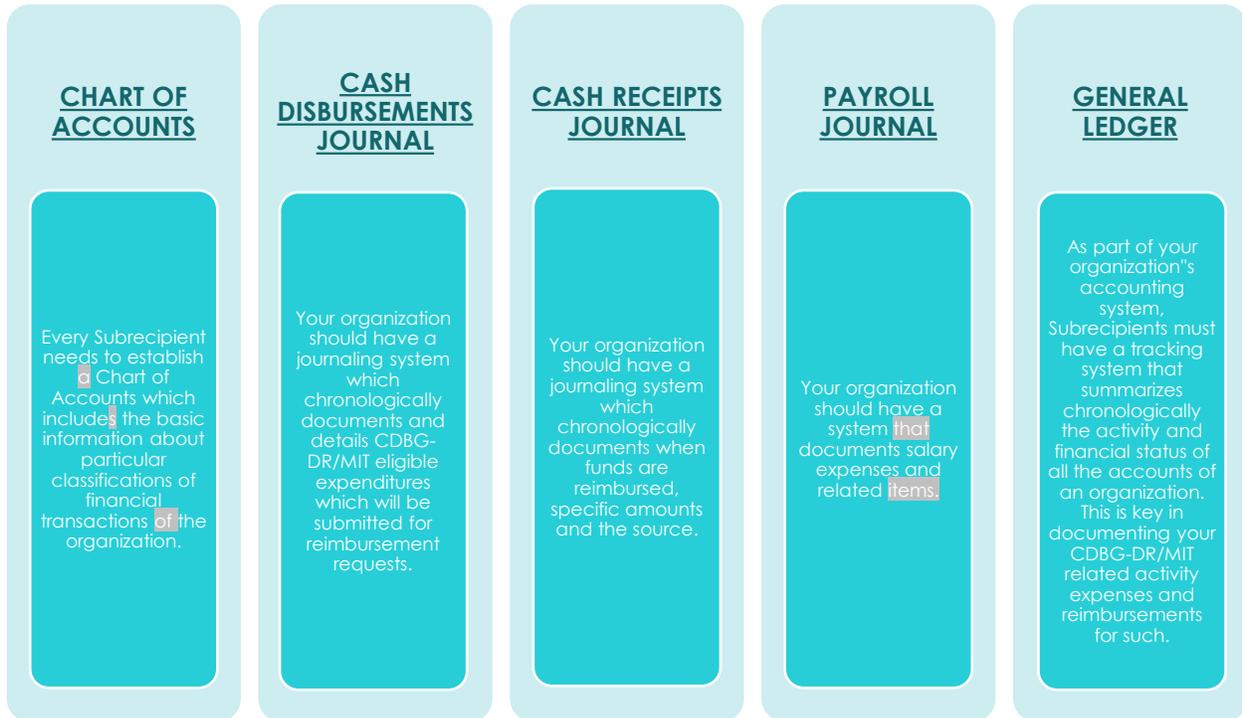
2.4.5 WHAT SHOULD SUBRECIPIENT'S INTERNAL CONTROL STRUCTURE ACHIEVE?

- 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.

2.4.6 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 to serious problems. As Subrecipient, you are responsible for maintaining financial information and records, including, but not limited to:



Remember, 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.

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.

2.4.7 HOW TO REGISTER AND TRACK FIXED ASSETS?

Property purchased with CDBG-DR/MIT funds is subject to requirements under 2 C.F.R. Part 200. Property management records must be maintained for all equipment, and quarterly reporting should be completed and submitted to the CDBG-DR/MIT Finance Division by the CDBG-DR/MIT Operations Division. The CDBG-DR/MIT Operations Division shall maintain a list of equipment and share it with the CDBG-DR/MIT Finance Division for purposes of reconciling the general ledger each quarter. The reconciliation shall verify purchase orders and equipment listing against the posted expenditures.²³

To track and account for fixed assets acquired under the CDBG-DR/MIT grant, all Subrecipients must follow the instructions provided in the Accounting and Tracking Fixed Asset for Subrecipients

²³ See also, Financial Policy, Section 15: Fixed Assets, Property and Equipment, <https://recuperacion.pr.gov/en/download/financial-policy/>.

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 reporting²⁴:

- a. Inventory & Depreciation Registry²⁵ – 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.

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).

2.4.7.1 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

²⁴ See, Accountancy and Tracking of Fixed Assets for Subrecipients Instructions.

²⁵ 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.

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**)²⁶ regarding costs that are allowable under the CDBG Program.

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:

²⁶ See, 2 C.F.R. Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards".

Is this type of cost generally recognized as ordinary and necessary for the operation of the organization or the performance of the award?

Are there any specific requirements or limitations imposed by generally accepted sound business practices, federal and local laws and regulations, and terms and conditions of your SRA?

In incurring costs, are the principals of your organization being prudent at such time, taking into consideration who they serve and their employees?

Are there any significant deviations from the established practices of the organization that may not justify award costs being higher?

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.
 - o 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?**
 - o 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).
 - o 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 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.²⁷ 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.²⁸

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

²⁷ See, 2 C.F.R. § 200.302, Financial Management.

²⁸ 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 vendor demonstrating payment was made, and information regarding where the supplies are being stored and for what cost objective(s) they are being used.

2.4.10 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.

2.4.11 PROGRAM INCOME AND SUBRECIPIENT'S RESPONSIBILITIES IN ITS TRACKING

PRDOH reserves the right to authorize the Subrecipient to retain Program Income to be used in eligible program activities as described in its SRA.

2.4.12 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).

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

2.4.14 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/MIT funds, the amount of program income attributable to CDBG-DR/MIT shall be pro-rated accordingly to reflect the percentage of CDBG-DR/MIT 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/MIT funds.	Total amounts of less than \$35,000 received in a single year.
Proceeds from the disposition of equipment purchased with CDBG-DR/MIT 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 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.
Gross income from the use or rental of property acquired by the Grantee or Subrecipient with CDBG-DR/MIT 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/MIT funds, less any costs incidental to the generation of such income.	
Payments of principal and interest on loans made using CDBG-DR/MIT funds.	
Proceeds from the sale of loans made with CDBG-DR/MIT funds.	
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/>.

2.5 WHAT ARE SUBRECIPIENT'S RESPONSIBILITIES AS TO PROGRAM RECORD KEEPING?

Records and documentation are everything! Remember, if you don't document and adequately keep records, you cannot show adequate management of funds, Program performance or regulatory compliance.

2.5.1 WHAT CAN HAPPEN?

Serious monitoring findings and HUD audit findings could result in the recapture of funds. As stated in the SRA, as a Subrecipient, you are required to retain records for a **five (5) years** term after project close-out. However, it's important to note that your organization needs to retain records longer if the records relate to audit resolution, audit appeal, or other action initiated prior to the end of the record retention period but extending beyond that period.

2.5.2 WHEN DOES THE RETENTION PERIOD START?

When the annual or final expenditure report has been submitted or, for non-expendable property, from the date of final disposition.

For more information you can examine the CDBG-DR Record Keeping, Management, and Accessibility Policy (**RKMA Policy**).²⁹

²⁹ For the RKMA Policy please visit: <https://recuperacion.pr.gov/en/download/record-keeping-management-and-accessibility-policy-rkma-policy/> or <https://recuperacion.pr.gov/download/politica-sobre-manejo-administracion-y-accesibilidad-de-documentos/>.

2.5.3 WHAT ARE YOUR -RECORD KEEPING RELATED- RESPONSIBILITIES AS A CDBG-DR/MIT PROGRAM SUBRECIPIENT?

- As Subrecipient, your organization must have a Record Keeping Policy. However, if your organization does not have a Record Keeping Policy in place, you may use PRDOH's RKMA Policy as a guideline when establishing your own.
- As Subrecipient, your organization must have procedures in place that detail the management and implementation of record keeping practices.
- 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.

2.5.4 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
Accounting journals, ledgers, & chart of accounts
Source documentation (purchase orders, invoices, canceled checks, electronic payments)
Procurement files (including bids, contracts, etc.)
Records providing a full description of each activity undertaken and eligibility
Payroll records and reports
Financial reports
Audit reports and documentation

Records demonstrating that **the** activity undertaken meets one of the National Objectives of the CDBG-DR/MIT Programs as modified by HUD Notices

Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG-DR/MIT Program that prohibit discrimination against any protected classes (e.g., demographic information on applicants, beneficiaries, and area impacted by projects)

Records documenting compliance with cross cutting requirements (e.g., Davis-Bacon, Uniform Relocation Act, and Lead-Based Paint)

Please note: The above is a non-exhaustive list and the items above are examples for your reference.

You can also find a Document Maintenance Checklist under **Appendix IV** included under this document.

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 persons 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 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.

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 DO THE ACTIVITIES IN YOUR PROGRAM OR PROJECT ADDRESS A DISASTER RELATED IMPACT AND 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.³⁰

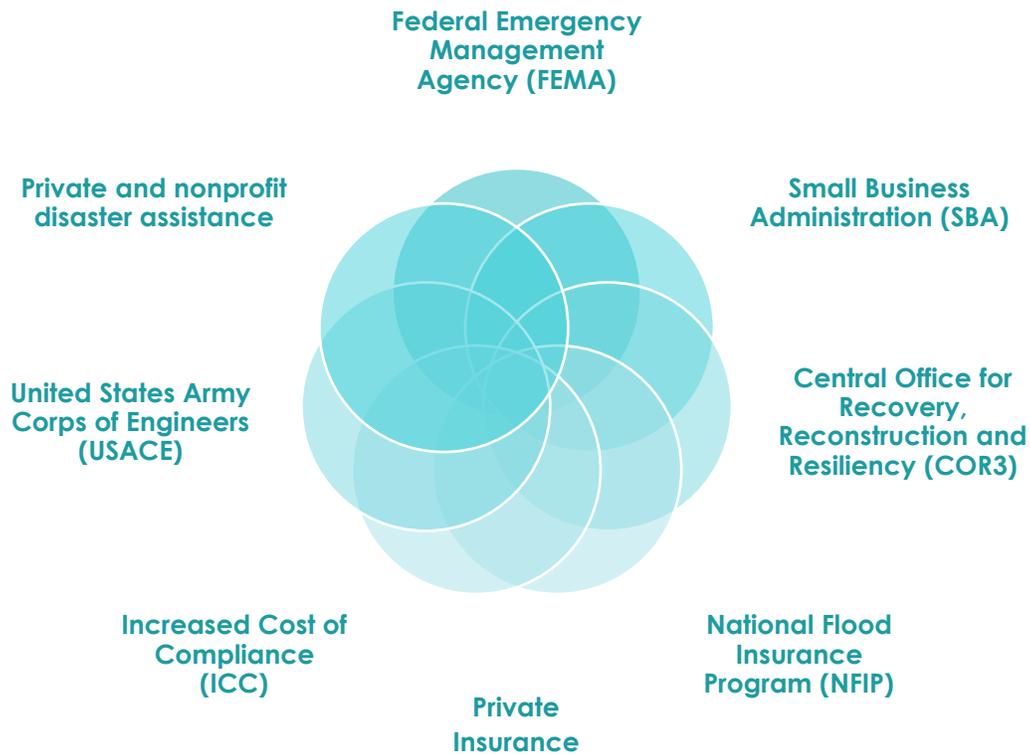
2.7.2 WHAT ARE SUBRECIPIENT'S RESPONSIBILITIES IN DOCUMENTING COMPLIANCE?

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.³¹

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

³⁰ See, Duplication of Benefits Policy at <https://recuperacion.pr.gov/en/download/duplication-of-benefits-policy/>.

³¹ 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.



For additional information on how specific programs will address DOB, you may access published Program Guidelines in English and Spanish at <https://recuperacion.pr.gov/en/resources/policies/program-policies/> or <https://recuperacion.pr.gov/recursos/politicas/politicas-de-programas/>.

You can also find more information and a detailed explanation about this subject in the Duplication of Benefits Video Reference at: <https://recuperacion.pr.gov/en/frequently-asked-questions/>; <https://www.youtube.com/watch?v=gEGwSbJ5UR.M>.

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 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.

2.8.1 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/>.

2.8.2 WHAT ARE SELECTION PROCESSES UNDER PRDOH 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.

2.8.3 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.

Below is a general description of the important clauses that needs to be included in the contracts:³²

Federal Requirements in a contract:

1. Type of contract: Our legal system recognizes different types of contracts. However, the most common for CDBG-DR/MIT goods and services are: (1) fixed price and (2) cost reimbursement. Under a fixed price contract, the contractor agrees to perform all the services and/or provide all the agreed goods in exchange for a fixed price, regardless of the cost that this entails for the contractor. Under a cost reimbursement contract, the contractor may request the Subrecipient to reimburse allowable expenses up to a maximum, as provided in the contract.
2. The term of the contract: This is the duration of the contract. It is important to note that the term cannot be greater than the term established in the Subrecipient Agreement between the Subrecipient and PRDOH.
3. The performance and responsibilities assumed by the contractor.
4. Liquid damages (money) to be paid by the contractor for non-compliance.
5. Compliance with Equal Employment Opportunity, prohibiting discrimination in hiring or employment based on race, color, religion, sex, or national origin.
6. Intellectual Property rights are governed in accordance with the federal regulations of the Code of Federal Regulations.
7. Mandatory registration in the Award Management System (SAM): This system indicates whether a contractor is prohibited from contracting with the Federal Government.
8. Record retention for 5 years after the last payment made. However, if there is a pending claim or litigation between the parties, records must be kept until all disputes are resolved.

³² For more information refers to the Contract and Subrecipient Agreement Manual at: <https://recuperacion.pr.gov/en/download/contract-and-subrecipient-agreement-manual/> (English) and <https://recuperacion.pr.gov/download/manual-para-contratos-y-acuerdos-de-subrecipiente/> (Spanish).

9. Value engineering- seeks those systems, items, materials, services and equipment work for their intended use at the lowest cost.
10. The contractor is prohibited from offering bribes in connection with a federal transaction.
11. Benefit to M/WBE (entities classified as women or minorities) and persons with low or very low income under Section 3.
12. Drug-Free Workplace clause.
13. The contractor must comply with the provisions of the Subrecipient Agreement. In addition, language indicating that the federal provisions of the Subrecipient Agreement apply to the contract and subcontracts must be incorporated.
14. The contract must not prejudice the rights of the Subrecipient.
15. The contractor is an independent contractor with all its implications. The contract does not create a relationship between PRDOH and the contractor.
16. Compliance with PRDOH policies on the protection of personally identifiable information.
17. Contractor agrees to monitor the performance of its subcontractors and ensure their compliance with applicable state and federal regulations and policies.
18. In addition, the contract must include language indicating that the contractor will comply with the provisions of the following federal laws:
 - a. Clean Air (42 U.S.C. § 7401 et seq.) and Federal Water Pollution Control (33 U.S.C. § 1251 et seq.) Acts - regulate air and surface water pollution, respectively.
 - b. Energy Policy and Conservation Act (42 U.S.C. § 6201) - sets standards on energy conservation and efficiency.
19. Include a copy of the HUD General Provisions.
20. If the contract is a construction contract in excess of \$2,000: it must include a compliance clause with the Davis-Bacon Act, as amended (40 U.S.C. §§ 3141- 3148) (which requires contractors to pay mechanics and workers not less than the prevailing wage for that type of work in that geographic area) and the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 and 40 U.S.C. § 3145) as well as similar business regulations (prohibiting a contractor from causing their employee to waive their pay, partially or totally). Construction contracts are also governed by other labor laws, regulations, and executive orders.
21. If the contract exceeds \$10,000, clauses must be provided:
 - a. For the termination of the contract by cause or conviction of the parties, also indicating how pending issues would be addressed.
 - b. Solid Waste Disposal Act - solid waste management and use of recovered materials.
22. Contracts for more than \$100,000:
 - a. Byrd Anti-Lobbying (31 U.S.C. § 1352) - the Contractor is prohibited to use federal funds with the intention of inducing an employee or member of an agency or the federal Congress to obtain a contract or federal funds in his favor.
23. Contracts in excess of \$150,000:
 - a. Compliance with the Contract Work Hours and Safety Standards Act (40 U.S.C. § 3702(a)) requiring contractors to pay their employees for providing federal services, "over-time". For every hour worked by an employee in excess of 40 hours, he must be paid compensation of 1.5 times his hourly wage.

State requirements in a contract:

1. Contracts can only be prospective for services / goods that have not yet been provided.
2. Personal circumstances of the contractor:
 - a. Full name
 - b. Employer social security
 - c. If contractor a natural person: civil status, domicile, and profession
 - d. If contractor a legal entity: certificate of incorporation with the State Department
3. Effective date of the contract that does not necessarily have to be the date of execution.
4. Compensation (this refers to whether the services/ goods are to be remunerated per hour, per unit, or part of a lump sum), the maximum amount to be disbursed under the contract and the method of payment.
5. The invoices must be specific, indicating the services provided and the hours worked. Each invoice must be accompanied by a certification to the effect that such services are eligible, have been rendered, but have not been renumbered, and language certifying that no public employee is a party to or has an interest in the earnings.
6. Contractor certifications:
 - a. From the Department of the Treasury:
 - i. Certifying that you have filed tax returns during the past 5 years
 - ii. Certifying that it does not have an outstanding debt with the Government of Puerto Rico. On the contrary, if you have an outstanding debt, you have accepted a payment plan and are up to date with those payments.
 - b. And if the contract exceeds \$16,000:
 - i. The contractor shall certify that it has filed income tax returns for the five (5) taxable years preceding the year in which the contract is intended to be executed and that it has no outstanding tax debt with the Government of Puerto Rico of any sort; or that he has availed himself of a payment plan whose terms and conditions are being complied with.
 - ii. Negative certification of debt with CRIM or certification indicating that the contractor is under a payment plan.
 - iii. From the Department of Labor and Human Resources and the Social Security Administration – document certifying compliance with the required payments to Social Security, disability insurance, unemployment, and driver's insurance.
 - iv. Negative certification from ASUME when the contractor is a natural person.
 - Certification of employer compliance - This certification is issued in the cases of legal persons (companies, corporations) to corroborate that they comply with the orders issued in their name as employer, to withhold alimony payments from the salary of their employees.
 - v. Negative certification of debt with ASEM or that it has accepted a payment plan when the contractor is an insurer or health service provider.
7. Legal provision that allows the party to enter into the agreement.
8. Legal basis that allows contracting with CDBG-DR/MIT funds.

9. Withholding of income as established in the Internal Revenue Code for Puerto Rico, 13 LPR § 30011 et seq.
10. Certification of funds. In simpler words, where do the funds to pay the contractor **come from**.
11. Conflict of interest policy regarding public employees: Certify that they are not involved in any conflict of interest or of public policy.
12. Applicable insurance policies.
13. Contracts for professional services must include two additional clauses to the effect that:
 - a. The contractor has not been convicted of crimes against public integrity
 - b. Knowledge and compliance with the ethical standards **of** their profession or occupation.
14. If the contractor is a natural person:
 - a. Must include a clause **certifying they do** not receive illegal money from public entities.
 - b. Must include a clause that the contractor is not required to pay child support, or that the contractor is on track with the child support payments.



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 Grant Compliance Portal (**GCP**) 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 V** and the list of General HUD Provisions. Said documents are intended to serve as a guide to the Subrecipient when drafting their contracts.

2.8.4 PROCUREMENT CONTACTS AND LINKS



Subrecipients 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.

<https://app.smartsheet.com/sheets/v59cjq92vffj8pf9jvRvrF6gFvVJrw7GWjf548G1>



Courtesy Reviews

Subrecipients have the discretion to request courtesy reviews of their procurement processes. To exercise this alternative, Subrecipient must send their documents via the Grant Compliance Portal (GCP) through the Procurement and Contracts Module.

<https://home2.outsystemsenterprise.com/Procurement/LandingPage.aspx>



Procurement Support Request Form

This form has been created for the Subrecipients to request support in regards of technical assistance or any basic orientation for their procurement processes matter.

<https://home2.outsystemsenterprise.com/GrantCompliancePortalLayout/NoPermissions.aspx>



CDBG-DR Procurement (in PRDOH website)

This section provides different resources where Subrecipients can download the Procurement Manual, the DUNS³³ 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.

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



CDBG-DR: Contracts

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

<https://recuperacion.pr.gov/en/contracts-cdbg/>



System of Award Management (SAM)

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.*

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

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



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



Oficina del Contralor de 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.

³³ 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.

<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>

2.9 SINGLE AUDIT

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

2.9.1 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 \$750,000 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://facweb.census.gov/>.

Additionally, PRDOH will request that your organization provide an annual certification form, attached hereto as **Appendix VII**, 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.

2.9.2 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.

2.10 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.

2.10.1 WHEN ARE URA REQUIREMENTS APPLICABLE?

When a project is funded in part or in full by CDBG-DR/MIT funds, and to all activities related to that project.

2.10.2 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.

2.10.3 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 COMPLIANCE WITH SECTION 3 & 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.³⁴

The Federal Compliance Division will reach out to your compliance coordinator or 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 MWBECDBG@vivienda.pr.gov with your inquiries or concerns.

2.12 DAVIS BACON COMPLIANCE

2.12.1 WHAT DOES YOUR ORGANIZATION NEED TO KNOW AS SUBRECIPIENT OF THE CDBG-DR/MIT PROGRAMS?

PRDOH adopted a Davis Bacon and Related Act (**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 the 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.

2.12.2 DO SUBRECIPIENTS HAVE SPECIFIC DBRA REQUIREMENTS FOR DBRA-COVERED 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).

³⁴ Section 3 Policy and the MEBE Policy is available in English and Spanish at: <https://recuperacion.pr.gov/en/resources/politicas/general-politicas/> and <https://recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

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.

2.12.3 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 Clause³⁵, and with the provisions 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 in English and Spanish at: <https://recuperacion.pr.gov/en/download/osh-r3-guideline/> and <https://recuperacion.pr.gov/download/politica-osh/>.

2.12.4 FAIR HOUSING AND EQUAL OPPORTUNITY

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.

For more information on the Federally or locally designated protected classes, please visit the Fair Housing and Equal Opportunity Policy for CDBG-DR Programs (**FHEO Policy**), available in English and Spanish at: <https://recuperacion.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/> and <https://recuperacion.pr.gov/download/politica-de-eguidad-de-vivienda-e-igualdad-de-opportunidades-para-los-programas-cdbg-dr/>.

2.12.4.1 Fair Housing & 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.

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.

³⁵ 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 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.

2.12.4.2 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.

2.12.4.3 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.

2.13 ENVIRONMENTAL COMPLIANCE AND REVIEW

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.

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.

2.13.1 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.

2.14 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. All communication materials must be submitted at this [link](#).

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/>.

2.15 PROJECT CLOSEOUT

2.15.1 WHAT ARE YOUR RESPONSIBILITIES FOR PROJECT CLOSEOUT?

The closeout of a grant 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:

Expend all grant funds in accordance with needs or return funds.

Updates accomplishments data to reflect all activities completed (or canceled).

Update the performance measures for actual versus proposed.

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.

2.15.2 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 required by 2 C.F.R. § 200.344, close out 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.

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 VII 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.

2.15.3 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/>.

1

CDBG OVERVIEW & PURPOSE

2

SUBRECIPIENT

3

PRDOH RESPONSIBILITIES

HOW DOES THE PRDOH TRACK SUBRECIPIENT PERFORMANCE?

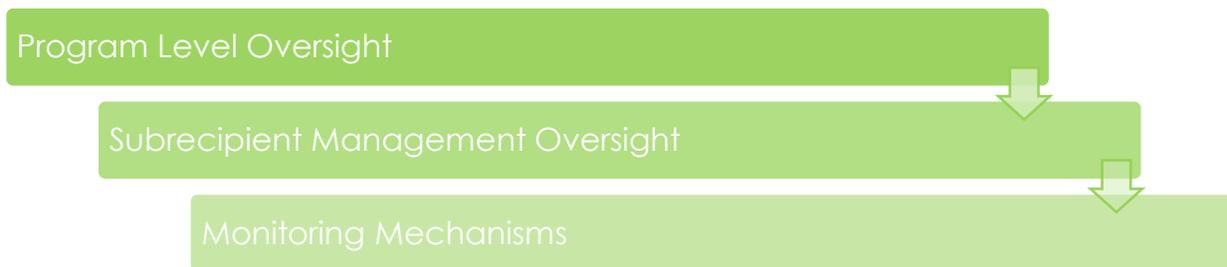
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3.1 OVERSIGHT AND SUBRECIPIENT MANAGEMENT

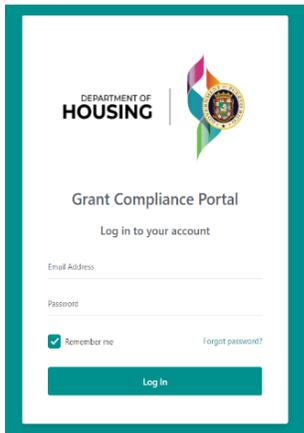
As Subrecipient, you have many responsibilities in carrying out specific Program activities and managing CDBG-DR/MIT funds. As a result, PRDOH has the responsibility of establishing oversight mechanisms on Subrecipients to ensure:



To achieve the above, PRDOH has established various oversight mechanisms including policies, procedures, and tools to ensure that Subrecipients fulfill their responsibilities with the PRDOH CDBG-DR/MIT Program. 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 that any possible issues related to performance or compliance are identified in a timely manner and corrective action is performed to address such issues.



REMEMBER: Most problems can be solved if they are addressed in a timely manner. If you identify any issue, you need to contact your POC to address them appropriately and quickly - this results in a more productive and efficient implementation of 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 manager of the Program and your performance, will conduct oversight activities on a periodic basis.

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.

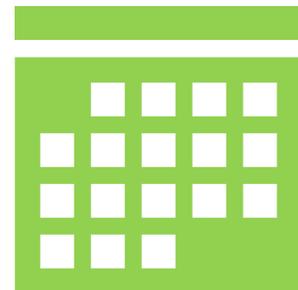
The above is part of PRDOH's overall efforts to ensure activities are carried out in compliance with CDBG-DR/MIT requirements, programs funds are expended in accordance with requirements, and the Program achieves success.

3.2 REPORTS

3.2.1 WHAT ARE -PROGRAM AREA- 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 Grant Compliance Portal (**GCP**).³⁶ 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 e-mail to subrecipientmanagement@vivienda.pr.gov and cc: your Program POC.

³⁶ 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, go to this [link](#).

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



It is important to mention that 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.³⁷ The third Tuesday, Wednesday, and Thursday of each month, SMT offers a refresher GCP workshop. To participate, the Subrecipient must register using the following links:

- [Reports Module](#)
- [Procurement and Contracts Module](#)
- [RFI and Concierge Modules](#)
- [GCP Refresher English Version](#)



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.

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The Non Federal Match Program (NFM) 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.



Through GCP, Subrecipients may submit a courtesy review of their procurement packages, request contract courtesy review, submit Public Notice, notify executed contracts, and submit Request for Information (RFI) about different topics.

³⁷ 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.

³⁸ See Non-Federal Match Program Guidelines at: <https://recuperacion.pr.gov/en/download/non-federal-match-program-2/>. Also see, NFM Performance Progress Report SAPR Memorandum. July 19, 2021.

3.2.2 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 know and understand if Subrecipients are carrying out 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 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.

3.2.3 ARE THERE ANY OTHER REPORTS TO BE SUBMITTED TO THE PRDOH CDBG-DR/MIT PROGRAMS?

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

Federal Compliance Reports:

Please take note that the CDBG-DR/MIT 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/MIT Programs.

3.2.3.1 When are the Federal Compliance Reports collected?

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 more information, please visit the following web pages to locate policy guides and other useful resources:

- For Section 3: <https://recuperacion.pr.gov/en/download/section-3-policy/> and <https://recuperacion.pr.gov/download/politica-sobre-seccion-3/>
- For Minority and Women Business Enterprises (M/WBE): <https://recuperacion.pr.gov/en/section-3/enterprise-woman-minority-mwbe/> and <https://recuperacion.pr.gov/download/politica-mwbe/>
- For Davis Bacon: <https://recuperacion.pr.gov/en/download/davis-bacon-and-related-acts-policy/> and <https://recuperacion.pr.gov/download/politica-sobre-la-ley-davis-bacon-y-las-leyes-relacionadas/>.

- For Fair Housing and Equal Opportunity (FHEO): <https://recuperacion.pr.gov/en/fair-housing/> & <https://recuperacion.pr.gov/download/politica-de-equidad-de-vivienda-e-igualdad-de-oportunidades-para-los-programas-cdbg-dr/>

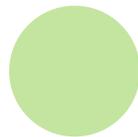
3.3 MONITORING

3.3.1 WHAT IS THE PURPOSE OF PRDOH MONITORING ACTIVITIES?

PRDOH must ensure that Subrecipients are properly carrying out activities. In order to meet such requirement, PRDOH has set certain 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.

3.3.2 WHAT CAN YOU EXPECT FROM A MONITORING REVIEW OR VISIT?

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 include adherence to specified timeframes and performance goals outlined in the SRA related to the activities included under your Scope of Work.

3.3.3 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 you have presented your reimbursement request, your organization will be included in the CDBG-DR/MIT Program Risk Assessment pool wherein the Monitoring Division will perform an assessment of your organization and will determine, based on certain risk factor criteria, the type of risk associated to your organization.



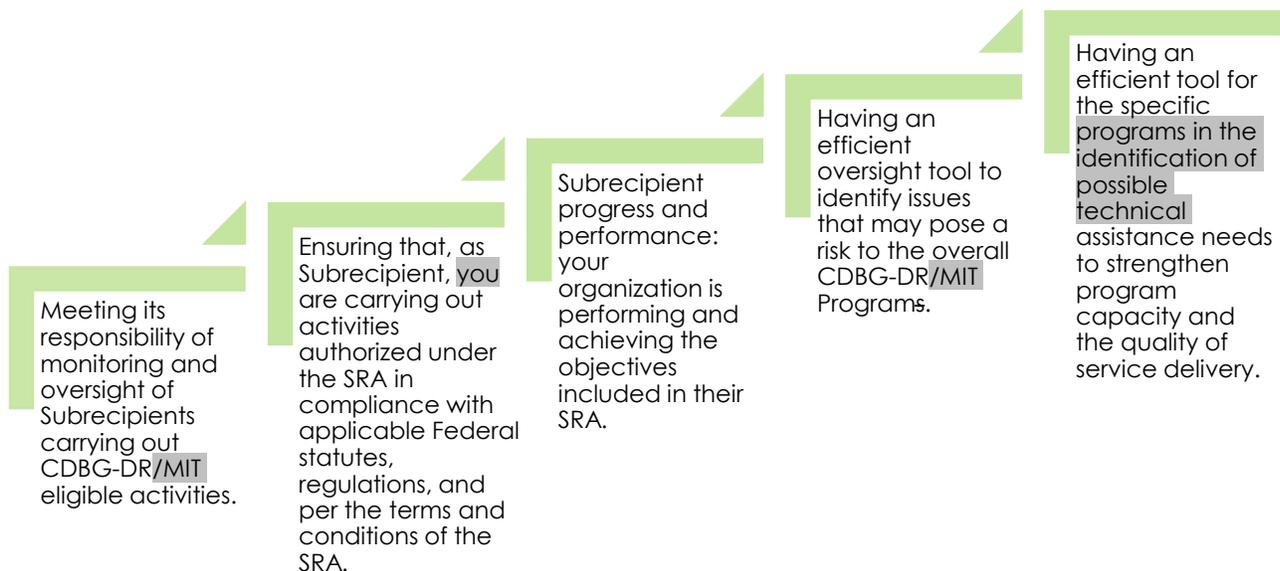
Based on the results, the Monitoring Division determines the type of monitoring review it will perform on your organization. A notification will be sent to your organization advising your organization of the monitoring review and details of the review.

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

If any deficiencies are identified, you will be required to address them in the timeframe provided. This means, that if any of those findings call for corrective actions, you must put them in place in order 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.

3.3.4 WHAT DOES THE MONITORING PROCESS ACHIEVE FOR PRDOH?



3.3.5 WHAT TYPES OF OUTCOMES MAY RESULT FROM A MONITORING REVIEW OR VISIT?

- Your organization may be assigned a higher level of risk and additional conditions to mitigate risk of non-compliance.
- PRDOH may issue management decisions³⁹ 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.

³⁹ 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.

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.hud.gov/sites/documents/DOC_17086.PDF. 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 in English and Spanish at: <https://recuperacion.pr.gov/en/download/monitoring-manual/> and <https://recuperacion.pr.gov/download/manual-de-monitoreo/>.

3.4 AUDITING

3.4.1 WHAT ARE THE KEY AUDIT ASPECTS THAT YOUR ORGANIZATION SHOULD BE AWARE OF REGARDING CDBG-DR/MIT PROGRAM AUDITS?

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 audit, or 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.

3.5 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

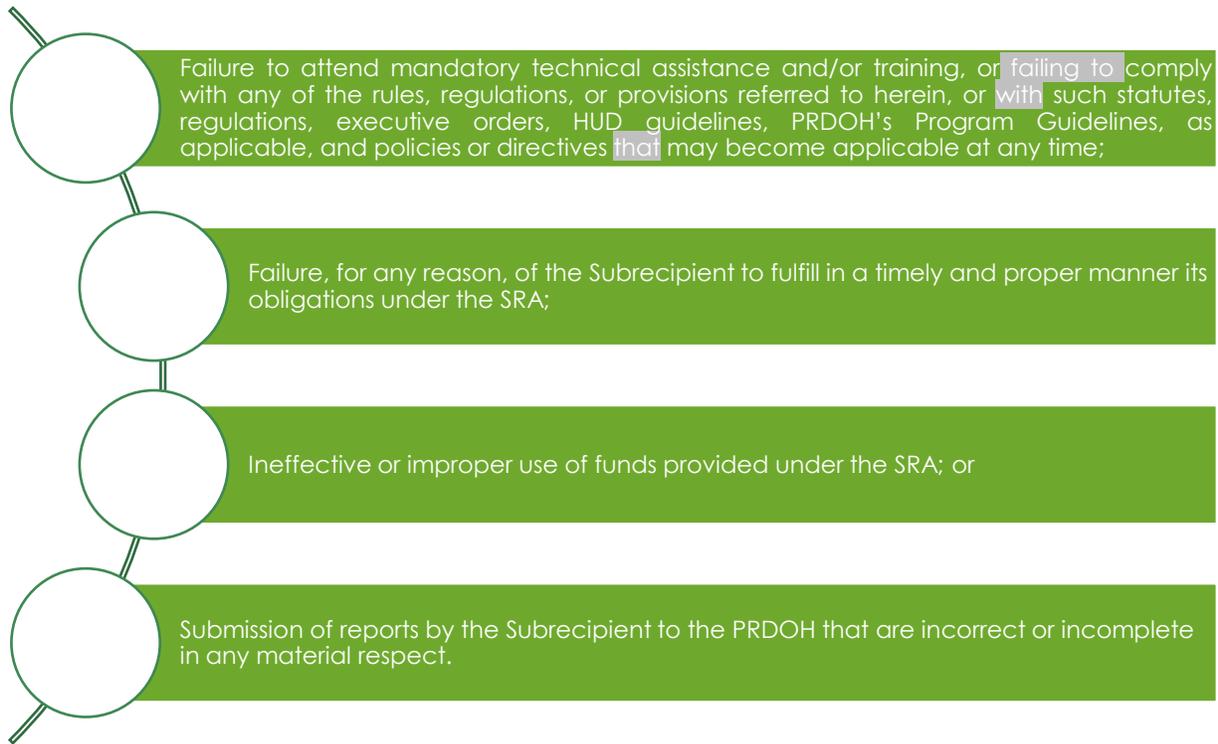
Additional information regarding the requirements and process for the recapture of funds can be found in the Recapture Policy available in English and Spanish at: <https://recuperacion.pr.gov/en/download/recapture-of-funds-policy/> and <https://recuperacion.pr.gov/download/politica-de-recaptura-de-fondos/>

3.6 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. Failure to comply with any terms of this Agreement, includes (but is not limited to) the following:



PRDOH is allowed to take the appropriate actions to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. It is equally important for your organization to understand that PRDOH can establish remedies to address Subrecipient noncompliance.

As such, PRDOH has adopted oversight guidance for its Program POCs to understand the manner in which PRDOH, through 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 to work with your organization in identifying and correcting any non-performance issue. 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 included in the Scope of Work and the Timelines and performance goals.

3.6.1 CONSEQUENTIAL FRAMEWORK

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 of ensuring appropriate and compliant performance from all Subrecipients and 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.

3.7 APPROVAL

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

END OF MANUAL

Finance Orientation Presentation & Subrecipient Request for Reimbursement and Payment Instructions⁴⁰



⁴⁰ If you need technical assistance with the Vendor Café platform, please email helpdeskpr@hornellp.com and copy Natalia Rivera-nrivera@vivienda.pr.gov.

INVOICE PACKAGE

The Invoice Package consists of the following documents:

- 1) Invoice Checklist
- 2) Invoice Form
- 3) Activity Detail / Canopy Report
- 4) Payment Certification / Payment Evidence
- 5) Supporting Documents
- 6) Monthly Report



www.cdbg-dr.pr.gov

INVOICE CHECKLIST



GOVERNMENT OF PUERTO RICO
Department of Health

INVOICE CHECKLIST
CDBG-DR
A

Contractor Type

Other

Subcontract

Contractor

Contractor Name:	Section:	Project Title:
(Contractor name)	Program/Item	(Program title)
Contract No.:	Contract No.:	Contract Number:
(Contractor address)	Invoice No.	(Invoice number)
Contract Address:	Invoice Date:	Invoice State:
(Contractor address)	Invoice Amount:	(Invoice date)
Project:	Description:	
(Project description)	(Description)	

Checklist

Contractor	Yes	N/A	Description
	<input type="checkbox"/>	<input type="checkbox"/>	Invoice Checklist
	<input type="checkbox"/>	<input type="checkbox"/>	Invoice
	<input type="checkbox"/>	<input type="checkbox"/>	Activity Detail / Canopy Report (if applicable)
	<input type="checkbox"/>	<input type="checkbox"/>	Evidence of Payment or Certifications
	<input type="checkbox"/>	<input type="checkbox"/>	Supporting documents of the work performed
	<input type="checkbox"/>	<input type="checkbox"/>	Monthly Report

Important Notice: Our entity has acknowledged the recordkeeping policies and the contractual clause and we hereby certify that we maintain in our archives all the original documents that have been submitted as part of this invoice. All documents are available for future monitoring, audits or other process performed by any entity.

Submitted by Contractor's Authorized Representative:

Position _____ PRR Name _____ Signature _____ Date _____

- The **Invoice Checklist** provides a list of all the documents required for the payment process. These are:
 - a) Invoice Checklist
 - b) Invoice Form
 - c) Activity Detail / Canopy Report
 - d) Payment Certification / Payment Evidence
 - e) Supporting Documents
 - f) Monthly Report
- These forms must be signed by an authorized representative.

INVOICE CHECKLIST


GOVERNMENT OF PUERTO RICO
 Department of Housing

INVOICE CHECKLIST
CDBG-DR
A

Partner
 Subrecipient
 Contractor

Contractor Name:	Sector:	[Sector title]
[Contractor name]	Program/Area:	[Program title]
	Contract No.:	[Contract number]
Contractor Address:	Invoice No.:	[Invoice number]
[Contractor address]	Invoice Date:	[Invoice date]
	Invoice Amount:	.
Project:	[Description]	

Fields to modify in this part:

- Invoice Number
- Invoice Date
- Invoice Amount

The format of the invoice number must be as follows:

RGUPRST2007001

Program Acronym Vendor Acronym Year Month Invoice Number

INVOICE CHECKLIST

Checklist

Contractor		Description
Yes	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	Invoice Checklist
<input type="checkbox"/>	<input type="checkbox"/>	Invoice
<input type="checkbox"/>	<input type="checkbox"/>	Activity Detail / Canopy Reports (if applicable)
<input type="checkbox"/>	<input type="checkbox"/>	Evidence of Payment or Certifications
<input type="checkbox"/>	<input type="checkbox"/>	Supporting documents of the work performed
<input type="checkbox"/>	<input type="checkbox"/>	Monthly Report

Important Notice: Our entity has acknowledge the recordkeeping policies and the contractual clause and we hereby certify that we maintain in our archives all the original documents that have been submitted as part of this invoice. All documents are available for future monitoring, audits or other process performed by any entity.

Submitted by Contractor's Authorized Representative:

 Position Print Name Signature Date

- Documents required in the invoice :
 - Invoice Checklist
 - Invoice Form
 - Activity Detail / Canopy Report
 - Payment Certification / Payment Evidence
 - Supporting Documents
 - Monthly Report

INVOICE FORM

PRDOH Activity	PRDOH COA	Activity Description	Contracted Amount	Previous		This Invoice		Total To Date		Balance	
				Amount	%	Amount	%	Amount	%	Amount	%
R01H27RR-DOH-LM	5001-2027	H - General Program and Administration	[Contract Amount]	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total			\$ -	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%

Fields to modify in this part:

- Previous Amount
- This Amount

INVOICE FORM

Executive Order required in all contracts with government

EXECUTIVE ORDER 2001-73 STATEMENT
<p>Under penalty of absolute nullity, I hereby certify that no public servant of the government entity is a party to or has an interest of any kind in the profits or benefits to be obtained under the contract which is the basis of this invoice, and should he be a party to, or have an interest in, the profits or benefits to be obtained under the contract, a waiver has been previously issued. The only consideration to provide the contracted goods or services under the contract is the payment agreed upon with the authorized representative of the government entity. The amount that appears in the invoice is fair and correct. The work has been performed, the goods have been delivered, and the services have been rendered, and no payment has been received therefor."</p>

Certified by Authorized Representative:

[Authorize Representative's Job Title]

Position

[Authorize Representative's - Print]

Print Name

[Authorize Representative's Signature]

Signature

[Date of Signature]

Date

Fill in all fields

According to the contract

Yes	N/A	DAVIS-BACON ACT STATEMENT (if applicable)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	I hereby Certify Compliance with the Davis-Bacon Act
Yes	N/A	SECTION 3 STATEMENT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	I hereby Certify Compliance with the section 3
Yes	N/A	INSURANCE AND GOVERNMENT CERTIFICATIONS (if applicable)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	I hereby Certify Compliance with local Government Entities and insurances coverage as agreed in Contract

ACTIVITY DETAIL


GOVERNMENT OF PIEDMONT
 Department of Housing

ACTIVITY DETAIL
CDBG-DR
C-1

STAFFING
 Economic Development
 Tourism & Business Marketing
 Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
 Invoice Period: [Start date] to [End date]

Line Item	Name	Classification	Hours	Hourly Rate / Unit Price	Total Cost
1					\$ -
2					-
3					-
4					-
5					-
6					-
7					-
8					-
9					-
10					-
11					-
12					-
13					-
14					-
15					-
16					-
17					-
18					-
19					-
20					-
21					-
22					-
23					-
24					-
25					-
26					-
27					-
28					-
TOTAL					-

The undersigned hereby certifies:
 (1) That all work related to the Activity Detail set forth above has progressed to the point where the bill being invoiced merits payment from the FPDOR in accordance with contract terms and conditions; (2) That all supporting documentation related to the bills herein have been uploaded to the Program's System of Record and is available for review by the FPDOR or its designees, when applicable; (3) That no previous invoice submitted to the FPDOR has included a request for payment for the bills herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility; (5) That all staff herein invoiced has received a compensation for work performed in this invoice.

certified by:

(Authorized Representative Signature)

Date

The **Activity Detail** form details the information of what they are billing according to what is approved in the Agreement.

ACTIVITY DETAIL

STAFFING
 Economic Development
 Re-Grow PR: Urban and Rural Agriculture
 Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
 Invoice Period: [Start date] to [End date]

Line Item	Name	Classification	Hours	Hourly Rate / Unit Price	Total Cost
1					\$ -
2					-
3					-
4					-
5					-
6					-
7					-

Fields to modify in each invoice :

- Invoice Number
- Invoice Period

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.2

SUPPLIES / EQUIPMENT

[Sector title]

[Program title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]

Invoice Period: [Start date] to [End date]

Line Item	Supplies	Number of Units	Unit Cost	Total Cost
1				\$ -
2				-
3				-
4				-
5				-
6				-
7				-
8				-
9				-
10				-
11				-
12				-
13				-
14				-
15				-
TOTAL				50.00

The undersigned hereby certifies:

(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applicable; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility.

Certified By:

(Authorized Representative Signature)

Date

www.cdbg-dr.pr.gov

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.3

TRAVEL

[Sector title]

[Program title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]

Invoice Period: [Start Date] to [End Date]

Line Item	Date	Concept	Travel Purpose, when applicable	From	To	Mileage Incurred	Mileage rate	Amount Invoiced
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
TOTAL						0	\$	-

The undersigned hereby certifies:

(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applicable; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility.

Certified By:

(Authorized Representative Signature)

Date

www.cdbg-dr.pr.gov

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

ACTIVITY DETAIL
CDBG-DR
C.4

TRANSLATION SERVICES
[Sector title]
[Program title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]

Invoice Period: [Start Date] to [End Date]

Line Item	Document	Date Requested	Date Submitted	Total of Words	Unit Price	Total Cost
1						-
2						-
3						-
4						-
5						-
6						-
Total Translation Cost: \$						-

The undersigned hereby certifies:
(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, when applies; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility; (5) That we have validated that all required information and certifications that support the authorization for payment of work, task, milestones, etc. listed below in whole or in part have been properly documented in the Program's System, when applies.

Certified by: _____ Date: _____
[Authorized Representative Signature]

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.5

PROFESSIONAL SERVICES
Economic Development
Re-Grow PR: Urban and Rural Agriculture

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]

Invoice Period: [Start Date] to [End Date]

Line Item	Name	Position	Hours	Hourly Rate	Total Cost
1					\$ -
2					-
3					-
4					-
5					-
6					-
7					-
8					-
9					-
10					-
Total \$					-

The undersigned hereby certifies:
(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, when applies; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility; (5) That we have validated that all required information and certifications that support the authorization for payment of work, task, milestones, etc. listed below in whole or in part have been properly documented in the Program's System, when applies; (6) That the staffing here invoiced has received a compensation for work performed.

Certified by: _____ Date: _____
[Authorized Representative Signature]

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.6

OTHER OPERATING COSTS
Economic Development
Re-Grow PR: Urban and Rural Agriculture

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Item Name	Activity Description	Date performed	Total Cost
1				
2				
3				
4				
5				
6				
Total:				-

The undersigned hereby certify:
 (1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, when applies; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility; (5) That we have validated that all required information and certifications that support the authorization for payment of works, task, milestones, etc. listed below in whole or in part have been properly documented in the Program's System, when applies.

Certified by: _____ Date: _____
[Authorized Representative Signature]

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.7

ALLOWANCE
[Sector title]
[Program title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Date	Vendor	RFA #	Total Cost	Vendor Payment Check Number
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
Total:				-	

The undersigned hereby certify:
 (1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applies; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility.

Certified by: _____ Date: _____
[Authorized Representative Signature]

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.8

MAINTENANCE COSTS
[Sector Use]
[Program Title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Maintenance Cost Description	Date	Total Cost
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
TOTAL			\$

The undersigned hereby certifies:
(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applicable; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with program requirements and HUD's eligibility.

Certified by: _____ Date: _____
(Authorized Representative Signature)

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.9

Intake Centers
[Sector Use]
[Program Title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Location	Date	Quantity	Unit Price	Total Cost
1					\$ -
2					\$ -
3					\$ -
4					\$ -
5					\$ -
6					\$ -
Total:					\$ -

The undersigned hereby certifies:
(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, when applicable; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with program requirements and HUD's eligibility; (5) That we have validated that all required information and certifications that support the authorization for payment of works, task, milestones, etc. listed below in whole or in part have been properly documented in the Program's System, when applicable; (6) That all staff herein have received compensation for the work performed in this invoice.

Certified by: _____ Date: _____
(Authorized Representative Name)

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL

CDBG-DR
C.10

Media Advertising
[Sector title]
[Program title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Date	Vendor	Total Cost
1			
2			
3			
4			
5			
6			
Total:			-

The undersigned hereby certify:

(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applies; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility.

Certified By:

[Authorized Representative Signature]

Date

www.cdbg-dr.pr.gov

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL

CDBG-DR
C.11

Tradeshows and Conferences
[Sector title]
[Program title]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Date	Tradeshow Name / Conference Name	Total Cost
1			
2			
3			
4			
5			
6			
Total:			-

The undersigned hereby certify:

(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applies; (3) That no previous invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility.

Certified By:

[Authorized Representative Signature]

Date

www.cdbg-dr.pr.gov

ACTIVITY DETAIL

ACTIVITY DETAIL
CDBG-DR
C.12



GOVERNMENT OF PUERTO RICO
 Department of Housing

LOANS / GRANTS
 [Sector Name]
 [Program Name]

PUERTO RICO HOUSING FINANCE AGENCY | Contract #: 2019-00062 | Invoice #
 Invoice Period: [Start Date] to [End Date]

Line Item	Application ID	Applicant Name	Application Submission Date	Loan / Grant	Number of Loan or Grant	CDBG-DR Approved Contract Amount	Draw Down Number	Date Approved	Approver Name	CDBG-DR Previous Disbursed Amount	CDBG-DR Draw Down Amount	CDBG-DR Contract Balance
1												\$ -
2												-
3												-
4												-
5												-
6												-
7												-
8												-
9												-
10												-
11												-
12												-
13												-
14												-
15												-
16												-
17												-
18												-
19												-
20												-
21												-
22												-
23												-
24												-
25												-
26												-
27												-
28												-
Total:										\$	-	-

The undersigned hereby certifies:
 (1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDCH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDCH or its designees, where applicable; (3) That no previous invoice submitted to the PRDCH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with program requirements and HUD's eligibility.

Certified by: _____ Date: _____

ACTIVITY DETAIL

ACTIVITY DETAIL
CDBG-DR
C.13



GOVERNMENT OF PUERTO RICO
 Department of Housing

DEVELOPERS INVOICES
 [Sector Name]
 [Program Name]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
 Invoice Period: [Start Date] to [End Date]

Line Item	Application ID	Project	Vendor	Invoice number	Invoice period	CDBG-DR Invoice amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
Total:						\$ -

The undersigned hereby certifies:
 (1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDCH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDCH or its designees, where applicable; (3) That no previous invoice submitted to the PRDCH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with program requirements and HUD's eligibility.

Certified by: _____ Date: _____

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.16

STIMMY PERSONAL LOANS

[Sector Name]
[Program Name]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]

Invoice Period: [Start Date] to [End Date]

Line Item	Application Name	Lender Name	Loan Number	Amount Approved
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				

The undersigned hereby certifies:

(1) That all work related to the Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDCH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDCH or its designees, where applicable; (3) That no previous invoice submitted to the PRDCH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR Funds, comply with Program requirements and HUD's eligibility; (5) That every invoice submitted to PRDCH has undergone a pre-invoicing process in the PMSA Finance System.

Certified by:

(Authorized Representative Signature)

www.cdbg-dr.pr.gov

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL
CDBG-DR
C.17

Non-Federal Match

[Sector Name]
[Program Name]

Contractor: [Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]

Invoice Period: [Start date] to [End date]

Line Item	PW Number	Version	Total Subaward Amount	Federal Share %	Federal Share Amount	Non-Federal Share %	Non-Federal Share Amount	
1				90%	\$	10%	\$	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
TOTAL								

The undersigned hereby certifies:

(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDCH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDCH or its designees, where applicable; (3) That no previous invoice submitted to the PRDCH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR Funds, comply with Program requirements and HUD's eligibility; (5) That all staff herein invoiced has received a compensation for work performed in this invoice.

Certified by:

(Authorized Representative Signature)

Date

www.cdbg-dr.pr.gov

ACTIVITY DETAIL



GOVERNMENT OF PUERTO RICO
Department of Housing

ACTIVITY DETAIL

CDBG-DR
C.20

Marketing Activities
[Sector Name]
[Program Name]

Contractor: [Contract Name] | Contract #: [Contract Number] | Invoice #: [Invoice Number]
Invoice Period: [Start Date] to [End Date]

Line Item	Date	Vendor	Total Cost
1			
2			
3			
4			
5			
6			
Total:			-

The undersigned hereby certifies:

(1) That all work related to this Activity Detail set forth above has progressed to the point where the task being invoiced merits payment from the PRDOH in accordance with contract terms and conditions; (2) That all supporting documentation related to the tasks herein have been uploaded to the Program's System of Record and is available for review by the PRDOH or its designees, where applies; (3) That no previous Invoice submitted to the PRDOH has included a request for payment for the tasks herein invoiced; (4) The cost included are eligible for CDBG-DR funds, comply with Program requirements and HUD's eligibility.

Certified By:

[Authorized Representative Signature]

Date

PAYMENT CERTIFICATION / PAYMENT EVIDENCE

- The **Payment Certification** must indicate that all the billed expenses have been for work performed for the program and that they have been paid.
- If the payments to employees include expenses for fringe benefits, the certification must also indicate what employer contributions were paid and indicate the period paid.
- The **Payment Certification** must be on stamped paper with the company logo and must include the invoice number and period.
- **Evidence of payments** can be a copy of canceled checks, payroll reports or accounting reports of payments that detail the total invoiced.

SUPPORTING DOCUMENTS

Timesheets

- Employee name and position, as specified in the agreement (Exhibit C).
- Description of tasks performed, and hours worked per day.
 - ✓ The descriptions should detail the tasks according to the position by contract.
 - ✓ They must be able to justify the total hours billed.
 - ✓ Don't be repetitive; each day must be unique. Example: If multiple cases are to be worked per month, we recommend differentiating each day with the amount worked.
 - ✓ They must be complete sentences and it is recommended to start with an action verb in the past tense (created, trained, attended, revised, updated, participated, etc).
- Total hours worked in the period to be billed.
- Employee's signature
- Supervisor's printed name and signature

SUPPORTING DOCUMENTS

Supplies/Equipment

- Invoice for reimbursement
- For Subrecipient and Partners: PRDOH "Procurement Form", certifying compliance with CDBG-DR procurement process.

Travel

- Include evidence of the expenses.
 - ✓ Mileage (i.e DTOP mileage calculator)
 - ✓ Tolls (i.e statement of account)
 - ✓ Per-diem (i.e. receipts)

Translation:

- Include evidence of job requested

SUPPORTING DOCUMENTS

Professional Services

- Procurement Form
- Professional services name and position, as approved.
- The descriptions should detail the tasks according to the position by contract.
 - ✓ They must be able to justify the total hours billed.
 - ✓ Don't be repetitive; each day must be unique. Example: If multiple cases are to be worked per month, we recommend differentiating each day with the amount worked.
 - ✓ They must be complete sentences and it is recommended to start with an action verb in the past tense (created, trained, attended, revised, updated, participated, etc).
- Total hours worked in the period to be billed.
- Employee's signature
- Supervisor's printed name and signature

SUPPORTING DOCUMENTS

Other Operating Cost

- Include evidence of the expense
- PRDOH approved Procurement Form

Allowance:

- Include the RFA approved by PRDOH.
- Evidence of the allowance invoiced.

Maintenance:

- Timesheet must present:
 - ✓ Employee name
 - ✓ Employee position as per contracted
 - ✓ Descriptions of works per day
 - ✓ Employee hours worked per day
 - ✓ Total hours per employee
 - ✓ Employees Signature
 - ✓ Supervisor Signature

SUPPORTING DOCUMENTS

Intake Centers:

- Include the RFA approved by PRDOH.

Media Advertising:

- Include the RFA approved by PRDOH.
- Evidence of the advertising invoiced.

Tradeshows and Conferences:

- Include the RFA approved by PRDOH.
- Evidence of the activity invoiced.

Loans / Grants:

- Include the contractor certification.

SUPPORTING DOCUMENTS

Developers Invoices:

- Include the developer's certifications.

Rental Assistance:

- Include the Rent roll of tenant.

Specialized Services on Stand-By:

- Include the RFA approved by PRDOH.

Subsidy Personal Loans:

- TBD

Non-Federal Match:

- Include the invoices corresponding to the PW approve works.

SUPPORTING DOCUMENTS

De Minimis:

- The activity details are the supporting documents

Grant:

- Grant Agreement

Marketing Activities:

- Marketing Activity Execution Report Form
- Evidence of invoiced activity

NICRA:

- The activity details are the supporting documents

MONTHLY REPORTS

The **Monthly Report** is the report that details the work and progress that has been carried out in the period that they are billing. The monthly report must be approved by the Dept. of Housing.



CONTACT PERSONS

Invoicing Area- Grant Management

Beverly Prann – beverly.prann@hornepr.com

Yamira Marín – yamira.marin@hornepr.com

Programatic Area - Grant Management & PRDOH

GM POC Name

PRDOH Name

Technical Assistance:

VendorCafe – helpdeskpr@hornellp.com

Diana Rodríguez - Drodriquez@vivienda.pr.gov

Additional Information – PRDOH

Amarilys Meléndez – Amelendez@vivienda.pr.gov



CDBG-DR/MIT GENERAL POLICIES

The following table describes the General Policies of the CDBG-DR/MIT Program to assist Subrecipients⁴¹ 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.⁴² **Subrecipient 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 Subrecipient must adopt, as established by PRDOH. On the other hand, while Subrecipients are required to comply with established policies, there are cases where they must create and develop their own procedures to address specific needs or circumstances within their organization. These policies are listed in **SECTION II** of this table. 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. If the Subrecipient has existing policies, they must be updated to ensure continuous compliance. Subrecipients are encouraged to use PRDOH's policies as models or examples when developing 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 process 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 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.

⁴¹ 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. § 200.1 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; but does not include an individual that is a beneficiary of such award.

⁴² **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 must 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 (AFWAM Policy) - CDBG (pr.gov)	<ul style="list-style-type: none"> 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 (pr.gov)	<ul style="list-style-type: none"> The Citizen Complaints Policy applies to all PRDOH CDGB-DR/MIT complaints received regarding program administration, management, and/or operation procedures. 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.
Legal	Closeout Policy	Closeout Policy - CDBG (pr.gov)	<ul style="list-style-type: none"> 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 (pr.gov)	<ul style="list-style-type: none"> 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	Contract and Subrecipient Agreement Manual	Contract and Subrecipient Agreement Manual - CDBG (pr.gov)	<ul style="list-style-type: none"> The Contract and Subrecipient Agreement Manual shall apply to the contract process between PRDOH and other entities for the acquisition of goods, products, services, or activities funded, in whole or in part, with the CDBG-DR/MIT funds. It shall apply to all contracts and to subrecipient agreements with private entities.

			<ul style="list-style-type: none"> The Manual specifies additional clauses or provisions required for subrecipient agreements with governmental entities, such as government agencies and municipalities.
Legal	Cross-Cutting Guidelines	Cross Cutting Guidelines - CDBG (pr.gov)	<ul style="list-style-type: none"> 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.
Legal	Duplication of Benefits Policy (DOB Policy)	Duplication of Benefits Policy - CDBG (pr.gov)	<ul style="list-style-type: none"> 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. 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. 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 a last resource of recovery funding.
Legal	Personally Identifiable Information, Confidentiality, and Nondisclosure Policy (PII Policy)	Personally Identifiable Information, Confidentiality, and Nondisclosure Policy - CDBG (pr.gov)	<ul style="list-style-type: none"> 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.
Federal Compliance and Labor Standard (FCLS)	Davis-Bacon and Related Acts Policy (DBRA Policy)	Davis Bacon And Related Acts Policy - CDBG (pr.gov)	<ul style="list-style-type: none"> 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. 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. 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.

			<ul style="list-style-type: none"> • 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 - Davis-Bacon and Related Acts Clauses to include in construction contracts. HUD form 5370 except in Appendix A.
<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</p>	<ul style="list-style-type: none"> • 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. • 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. • 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>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 (pr.gov)</p>	<ul style="list-style-type: none"> • 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. • 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>Federal Compliance and Labor Standard (FCLS)</p>	<p>Minority and Women-Owned Business Enterprise Policy (W/MBE Policy)</p>	<p>MWBE Policy - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • 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. • 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>Federal Compliance and Labor Standard (FCLS)</p>	<p>Reasonable Accommodation Policy</p>	<p>Reasonable Accommodation Policy - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • 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. • 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. • 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>Federal Compliance and Labor Standard (FCLS)</p>	<p>Section 3 Policy</p>	<p>Section 3 Policy - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • 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). • 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. • 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>Federal Compliance and Labor</p>	<p>Uniform Relocation Assistance Guide & Residential Anti-Displacement and</p>	<p>URA & ADP Guidelines - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • The URA Policy applies to all CDBG-DR/MIT-assisted activities that involve the acquisition of real property, easements, or the displacement of persons, including displacement caused by rehabilitation and demolition activities.

Standard (FCLS)	Relocation Assistance (URA & ADP Guide)		<ul style="list-style-type: none"> • 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. • Private persons, corporations or businesses that acquire property or displace persons for a CDBG-DR/MIT-assisted project are subject to the URA. • Under the URA, all persons 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. • 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.
Financial Management	Program Income Policy	Program Income Policy - CDBG	<ul style="list-style-type: none"> • The purpose of this Policy is to set forth the definition, types, accounting, reporting, tracking, and use of program income funds following Federal requirements. • This Policy will establish how PRDOH and its subrecipients define and manage program income. • 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.
SECTION II: Policies that Subrecipients must create and develop⁴³			
Financial Management	Financial Policy	Financial Policy - CDBG (pr.gov)	<ul style="list-style-type: none"> • 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. • PRDOH and its subrecipients are required to adopt financial management policies that include the following key components: <ul style="list-style-type: none"> ○ Internal Controls; ○ Cost Accounting and Records; ○ Budgeting; ○ Cost Principles; and ○ Reporting

⁴³ If the Subrecipient has existing policies, they must be updated to ensure continuous compliance with CDBG-DR/MIT requirements.

<p>Legal</p>	<p>Lobbying Management Policy</p>	<p>Lobbying Management Policy - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • 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. • 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>Operations</p>	<p>Communications Guide</p>	<p>Communications Guide - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • 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. • Subrecipients, as implementation partners, are authorized to post information on their corresponding CDBG-DR/MIT programs social media accounts. <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 (pr.gov)</p>	<ul style="list-style-type: none"> • It is crucial that Subrecipients uphold and execute document retention and management policies and practices compliant with federal, state, and program requirements.
<p>Safety</p>	<p>Occupational Safety & Health Policy for all CDBG-DR Programs</p>	<p>OS&H Guideline - CDBG (pr.gov)</p>	<ul style="list-style-type: none"> • 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. • 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 Areas

			<p>with the applicable entities, Subrecipients and contractors, safety officers and any subcontractors of either entity– collectively referred to as Program Subrecipients/Program Contractors.</p> <ul style="list-style-type: none"> • 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 et seq.) and must also comply with the requirements set forth in this Policy.
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Section III: Subrecipient Procurement Processes

Procurement	<p>Procurement Manual for the CDBG-DR, CDBG-MIT, and CDBG State Programs Regulation No. 9506 of September 25, 2023</p>	<p>Procurement Manual for the CDBG-DR/MIT Program (September 25, 2023) – Regulation 9506, effective date October 25, 2023. - CDBG</p>	<ul style="list-style-type: none"> • Subrecipients have among their alternatives: <ol style="list-style-type: none"> 1. use their own procurement policies and processes as long as these are consistent with 2 C.F.R. §§200.318-200.327; 2. Use the PRDOH Procurement Manual as a reference in developing their own procurement processes; or 3. Adopt the PRDOH Procurement Manual but provide provisions that address and replace those provisions of the Manual that are incompatible. • 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. • The Subrecipient entity must have written procedures for procurement transactions. 2 C.F.R. § 200.319. • PRDOH is available to provide technical assistance to subrecipients in the development or adoption of their procurement policies.

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	Bases 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 received; (2) Current authorizations and obligations of funds; (3) Unobligated balances; (4) Assets and liabilities; (5) Program income; and/or (5)	<input type="checkbox"/>

	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 Operations Division and the CDBG-DR/MIT Finance Division for evaluation, 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 seven hundred fifty thousand dollars (\$750,000) 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) Small Purchases; (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 person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in any program or activity receiving Federal financial assistance.	<input type="checkbox"/>
42 U.S.C. § 2000 (d) Limited English Proficiency	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.	<input type="checkbox"/>
Fair Housing Act, Title VIII of the Civil Rights Act of 1968, 42 U.S.C. § 3601 et seq.	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 persons 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 persons with disabilities.	<input type="checkbox"/>

Section 109 of Title 1 of the Housing and Community Development Act 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	This law mandates that 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.	<input type="checkbox"/>
Affirmatively Furthering Fair Housing (AFFH)	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.	<input type="checkbox"/>
Section 3 of the Housing and Community Development Act of 1968, 12 U.S.C. §1701u (implemented at 24 C.F.R. Part 75)	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 persons; 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.	<input type="checkbox"/>
Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794	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.	<input type="checkbox"/>
The Americans with Disabilities Act (ADA), 42 U.S.C. § 12101 et seq.	This law prohibits discrimination based on disability in employment state and local governments and in places of public accommodation and commercial facilities.	<input type="checkbox"/>
Architectural Barriers Act of 1968 (ABA), 42 U.S.C. § 4151-4157	This law requires that certain buildings financed with federal funds must be designed, constructed, or altered in accordance with standards that ensure accessibility for persons with physical disabilities. The ABA covers any building or facility financed in whole or in part with federal funds, except privately-owned residential structures.	<input type="checkbox"/>
The Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101, et seq.	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.	<input type="checkbox"/>
Executive Order 11246 (as amended by Executive Orders 11375 and 12086)	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.	<input type="checkbox"/>
24 C.F.R. § 570.603 Labor Standards	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).	<input type="checkbox"/>
Fair Labor Standards Act of 1938, 29 U.S.C. § 201	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.	<input type="checkbox"/>

<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>
<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>	<input type="checkbox"/>

<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"/>



DOCUMENT MAINTENANCE CHECKLIST

Date Revised _____

DOCUMENTS TO BE MAINTAINED	DOCUMENT SOURCE		STATUS		Location
	Source	Date	Complete		
			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"/>	
<ul style="list-style-type: none"> 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
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			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:

A. Basic Provisions	
1. Insurance coverage	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. Conflict of Interest	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3. Independent Contractor Clause	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
4. Provision that the work performed by the subcontractor complies with the applicable terms of the original Agreement.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
5. Provision stating that nothing contained in the subcontract or the original Agreement will create any contractual relation between the subcontractor and the other contracting entity.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
6. Provision stating that nothing contained in the subcontract agreement shall impair the rights of the other contracting entity.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
7. Provision requiring the contractor or subcontractor specifically agree to be bound by the confidentiality provision regarding Personal Identifiable Information.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
8. Provision stipulating that the Contractor will be responsible for ensuring all subcontract work is performed consistent with federal and state regulations and/or policies.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
9. "All federal flow-down provisions are included in the subcontract agreement per Federal guidelines."	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
10. The applicable provisions set forth in 2 C.F.R. § 200.101	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
11. Section 3 Clause	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
12. HUD General Provisions	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

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

A. Compliance with Federal Regulations	
1. Davis-Bacon Act (DBA) of 1931, as amended, 40 U.S.C. §§ 3141, et seq.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

2. Housing and Community Development (HCD) Act of 1974	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
3. 29 C.F.R. § 5 (Department of Labor)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> 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 Close Out Checklist

Subrecipient Name:	
<input type="checkbox"/>	All monthly reports for the program were prepared, uploaded to the <i>Grant Compliance Portal (GCP)</i> and approved, as stated in the <i>Subrecipient Agreement (SRA)</i> .
<input type="checkbox"/>	Quarterly reports along with the Template to document efforts ^[1] were prepared, presented and are up to date.
<input type="checkbox"/>	Section 3 plan was submitted. ^[2]
<input type="checkbox"/>	MWBE Utilization Plan was submitted. ^[3]
<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. ^[4]
<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, where resolved.
<input type="checkbox"/>	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.
<input type="checkbox"/>	_____ was assigned as the Custodianship of records and registries related to the program. ^[5]
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.	

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

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

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

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

[5] 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