

## CHAPTER 13 -- PROJECT CLOSEOUT

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## CHAPTER 13

### PROJECT CLOSEOUT

#### I. OVERVIEW

This chapter describes the three steps required to closeout a CDBG project funded through the State CDBG Program:

- A. Completing a **Project Completion Report**.
- B. Determining and meeting the **Project Audit Requirements**.
- C. Completing the **Closeout Forms and Certifications**.

"Project Closeout" is the process by which MDOC determines that all applicable administrative actions and all work required by the grant have been completed in accordance with the terms and conditions of the CDBG contract.

All of the information needed to complete the closeout requirements should exist within the project files. The ease with which grant recipients can complete the closeout requirements usually depends on the extent to which the grantee has maintained accurate and up-to-date records and files.

- **Quarterly reports are not required after the Project Completion Report has been submitted to MDOC.**

#### II. GRANTEE CLOSEOUT RESPONSIBILITIES

##### 1. PREPARE A PROJECT COMPLETION REPORT

###### A. Projects Other Than Planning Grants

**Within 60 days following the completion of the CDBG-funded project activities and after all funds except for the final closeout audit are expended**, grant recipients must submit a Project Completion Report to their CDBG Program Specialist.

The instructions for completing the report are provided in **Exhibit 13-A**.

**The Project Completion Report should consist of a narrative with charts and tables (where possible) to summarize information and it must provide all of the information required in Exhibits 13-A through 13-H, including:**

- progress on each funded activity described in the grant contract;
- the extent to which the completed activity served to accomplish the state and national program objectives cited in the application;
- the extent to which program benefits were provided to low and moderate income persons and members of protected groups;

- local efforts to encourage fair housing, equal employment, and/or business opportunities (Section 3 compliance) through the expenditure of CDBG dollars;
- compliance with Davis-Bacon labor provisions; and
- any other evidence of program performance, including letters from assisted recipients or other citizen comments.

MDOC's CDBG staff will review the Project Completion Report and respond within 90 days.

MDOC may conduct a final on-site monitoring visit prior to project closeout. This visit may be waived if the project had been previously monitored and found to be in substantial compliance.

#### **B. CDBG-ED Planning Grants**

**Within 60 days following the completion of the CDBG-ED funded planning grant-related activity and after all funds are expended**, grant recipients must submit **one** copy of the CDBG-ED funded activity (as outlined in the MDOC contract) and a narrative which includes descriptions of the following: **how planning grant activity was completed, how funds were spent and how planning grant objectives were met.**

#### **C. CDBG Public Facilities and Housing Planning Grants**

**Within 60 days following the completion of the CDBG funded planning grant-related activity**, grant recipients must submit the final request for reimbursement. One copy of the final CDBG funded product (as outlined in the MDOC contract) must be submitted with the draw accompanied by appropriate documentation, including invoices.

### **2. DETERMINE FINAL AUDIT REQUIREMENTS**

When the project reaches the closeout stage, the grantee must determine which audit option for the project -- either an organization-wide audit or separate audit -- applies to their project. This is done by compiling data on the total amounts and types of federal financial assistance funds received by the governmental entity during the term of the CDBG project). **For a detailed explanation of audit thresholds and requirements, allowing you to determine which type of audit you must complete, please see Chapter 14, Project Audits.**

### **3. COMPLETE CLOSEOUT FORMS AND CERTIFICATIONS**

#### **A. Procedure for Projects Required to Have Organization-Wide Audits**

Those CDBG projects which find that they must comply with the Single Audit Act and the provisions contained in OMB Circular A-133 and compliance supplements (and conduct an organization-wide audit) must:

- 1) request conditional closeout approval from MDOC;
- 2) submit **Exhibit 13-C.1A** (Certification of Completion and Final Status of Funds Report for CDBG funds) **and Exhibit 13-C.1B** (Certification of Completion and Final Status of Funds Report for all other project funding); and
- 3) provide MDOC the date of the next organization-wide audit.

- 4) **All audits must comply with the audit requirements referenced above in 2 (Determine Final Audit Requirements) and explained in Chapter 14, Project Audits.**

A reasonable amount of the unexpended CDBG funds will be reserved by MDOC from the balance remaining after all activities are completed in order to pay the percentage of the total audit cost of the next organization-wide audit that is applicable to the CDBG project.

**After the required project is audited, Exhibit 13-C must be resubmitted** (with a corrective action plan in response to the audit, if applicable).

MDOC will review this certification report and **will approve a final closeout if all documents are acceptable and all adverse findings in the audit report are resolved.** The grantee must provide information necessary to determine the cost of the audit that was conducted.

If final closeout has been approved, MDOC will release funds equal to the audit cost to the grantee. Any remaining CDBG funds will be retained by MDOC. If insufficient funds exist to cover the final audit cost, the grantee must pay the difference.

If the computation of the grant balance indicates that drawdowns exceeded actual program expenditures, MDOC will require the grantee to reimburse the State the excess amount.

For any unsettled third party claims against CDBG funds, the grantee must resolve the claims and submit a revised 13-C certification report.

- **Records retention after final closeout is approved by MDOC:** All records related to grant activities are to be available on request and need to be kept by the CDBG grantee for four years after the date of final closeout approval by MDOC, consistent with the requirements of 24 CFR 570.502(a)(16). See Exhibit 13-C, page 4, ***Final Closeout Certification***.

## **B. Procedures for Projects Required to Have Separate Project Audits**

Grantees which are found to be **exempt** from the Single Audit Act and from the provisions contained in OMB Circular A-133 (by means of a review by the grantee of the total amounts and types of federal financial assistance funds received by the governmental entity during the term of the CDBG project) can arrange for a separate audit through the MDOC Local Government Services Bureau.

**All audits must comply with the audit requirements referenced above in 2 (Determine Final Audit Requirements) and explained in Chapter 14, Project Audits.**

After the required separate project audit is completed, the grantee can submit the Certification of Completion and Final Status of Funds Report (**Exhibit 13-C**) and can include the audit cost in the total funds expended. This report must be submitted with original signatures to the project's CDBG Program Specialist for approval. After review and approval, the MDOC will then release remaining funds equal to the audit cost to the grantee. Any remaining balance will be retained by MDOC. If insufficient funds exist to cover the final audit cost, the grantee must pay the difference.

If the computation of the grant balance indicates that the project's drawdowns exceeded actual program expenditures, the MDOC CDBG program officer will require the grantee to reimburse the State the excess amount.

For any unsettled third party claims against CDBG funds, the grantee must resolve the claims and submit a revised certificate.

### C. Program Income

The **CDBG Program Income and Revolving Loan Fund Manual** (Montana Department of Commerce, January 1996) outlines the standards for accounting for program income related to projects financed in whole or in part with federal grant funds.

"*Program income*" is defined as any income earned by a grantee from CDBG-supported activities, such as repayments of principal and interest to a local revolving loan program for housing rehabilitation.

These program income funds are often received after a project has been completed and closed out and may be retained at the local level (if authorized by the MDOC), to be used for community development activities eligible under the CDBG program. A grantee proposing to retain program income must submit with its application (or with its project management plan), a proposed plan for the ongoing use and financial administration of program income. The Department's decision to permit a grantee to retain program income after closeout will be determined based upon the final plan for the use and administration of program income submitted at project closeout.

If the Department of Commerce authorizes a grantee to retain program income, any program income received after project completion may be treated by the grantee as miscellaneous non-CDBG revenue. *There is one exception to this rule:* In the event that a community is a recipient of CDBG funds at a later date, HUD regulations require that program income from an earlier CDBG project be expended on activities under the new CDBG project before the community can request funds from its new grant.

Because the MDOC has ultimate responsibility for the program income retained and used at the local level, it is required to ensure that such program income is used in a manner consistent with CDBG requirements. To meet this responsibility, **the MDOC has instituted a grantee reporting process concerning program income, as follows:**

**MDOC requires that each local government which is a CDBG grantee report the total program income fund's activity for the fiscal year July 1 to June 30.**

**This applies to projects funded with 1993 and later CDBG program funds that have been closed out and/or are receiving loan repayments on a project that is not open. The report is due on August 15 of each year.**

**HUD requires that states continue to report a local government's program income balance after a project has been closed out.**

**For local government grantees that have economic development CDBG projects, an additional report, the Loan Portfolio Data sheet, must be filed twice a year as of June 30 and December 31 with the Economic Development Division.** This applies to any project, whenever it may have been funded, that continues to make loan repayments to the local government over the term of the loan.

Communities planning to utilize program income for future CDBG eligible activities must prepare and adopt a **Program Income Plan** and maintain the following records:

- sources of program income, including interest earned;

- dates and amounts of program income deposits and disbursements; and
- the activities funded with program income.

These records must be available for review in the event that the community is selected as a recipient of CDBG funds at a later date.

Chapter 4 of this manual, *Financial Management*, contains additional information concerning program income and property management. The Montana CDBG Application Guidelines also include a discussion of CDBG program income requirements.

Upon project closeout, using the particular project's name, a separate Special Revenue Fund should be established for loan repayments, #2390 BARS System and #229 Town. A separate fund is established so that at project completion the CDBG fund can be closed, but the loan repayment fund will continue until all loans are repaid.

#### **D. Closeout Exhibits**

To get the "**area-wide**" / "**indirect**" benefits data from the Census for **Exhibit 13-F**, consult either (1) the Census document called Demographic Profiles or (2) the document called Detailed Profiles:

1) **Demographic Profiles**: There are 4 pages for each geographic area, labeled DP-1 thru DP-4. They can be found at:

<http://ceic.mt.gov/Demographics.asp>

Page **DP-2** has disabilities data from the Census for:

- **Counties and MSAs**
- **Places** (Cities, Towns and CDPs)
- **Reservations**

2) **Detailed Profiles**: These **Detailed Profiles** have a lot more information than the 4-page Demographic Profiles. The MDOC CEIC website has both 34-page and 58-page Detailed Profiles -- for the State, for Counties, for Places, for Reservations and for Census Tracts in PDF format at: <http://ceic.mt.gov/Demographics.asp>

Disability information is on pages 19-24 of the 58-page profiles.

- **Counties and MSAs**
- **Places** (Cities, Towns and CDPs)
- **Reservations**; and
- **Census Tract**.

## **CHAPTER 13**

### **EXHIBITS**

- 13-A Project Completion Report Instructions**
- 13-B Final Performance Report**
- 13-C Certification of Completion and Final Status of Funds Report;  
Conditional Closeout Certification;  
Final Closeout Certification**
- 13-D Direct Benefit Summary Data**
- 13-E Contract Reporting Form**
- 13-F Indirect Benefits Reporting Form**
- 13-G Calculation of CDBG Funds Used to Benefit Low and Moderate Income (LMI)  
Households and Citation of National Objectives**
- 13-H Section 3 Summary Report Form**

**EXHIBIT 13-A  
PROJECT COMPLETION REPORT: INSTRUCTIONS**

**Please consult with CDBG staff as you work on completing this report.**

**STEP 1: COMPLETE EXHIBIT 13-C** ("Final Status of Funds Report" and the appropriate Certification Form – either Conditional or Final).

Go to **Exhibit 13-C**. Complete:

- 1) **Part A**, "Statement of Cost" (page 13-C.1) of the Certification of Completion and Final Status of Funds Report;
- 2) **Part B**, "Unpaid Costs and Unsettled Third Party Claims" (page 13-C.2); and
- 3) **Part C**, "Grantee Certification" -- page 13-C.3 (Conditional) or 13-C.4 (Final).

The grantee's Chief Elected Official or Executive Officer must sign all certifications. Attach the appropriate forms to the front of the Project Completion Report.

**STEP 2: COMPLETE THE "FINAL PERFORMANCE REPORT" -- EXHIBIT 13-B.**

For each activity (on the list labeled "Activity Key") in **Exhibit 13-B** that pertain to your project provide the information requested in columns A through G, as explained below.

**2.A -- Column A -- ACTIVITY** -- Use the "**Activity Codes**" listed at the bottom of **Exhibit 13-B**. In order for MDOC to prepare annual performance reports in compliance with HUD requirements, it is necessary that grantees provide performance-reporting information using the activity types specified by HUD. Grantees must group project activities from the project budget form into the activity types specified by HUD.

**2.B -- Column B -- AMOUNT** -- Enter the amount, including program income, if any, used for each activity.

**2.C -- Column C -- PURPOSE** -- List the general purpose for which the activity was funded, using the "**Purpose Codes**" listed at the bottom of **Exhibit 13-B**. (Note: Information on Administrative Activity needs to be entered only in columns A, B, and C.)

**2.D -- Column D -- NATIONAL OBJECTIVE** -- Check the appropriate column for each activity. Choose only one national objective for each activity. Use the "**National Objectives Codes**" listed at the bottom of **Exhibit 13-B**. The National Objectives code selected reflect the same national objectives as those cited in the original application for CDBG assistance. The National Objectives codes are also listed below. Consult with your CDBG liaison to select a code.

<b>LMA:</b> Low/Moderate Income Area
<b>LMC:</b> Low/Moderate Income Limited Clientele
<b>LMH:</b> Low/Moderate Income Housing
<b>LMJ:</b> Low/Moderate Income Job Creation/Retention
<b>LMJF:</b> Low/Moderate Income Job Creation/Retention, Public Facilities
<b>SBA:</b> Slum / Blight Area Benefit
<b>SBS:</b> Slum / Blight Spot Basis



## **2.E -- Column E -- PROPOSED ACCOMPLISHMENTS**

For each activity, **describe the accomplishments proposed in the grant application and CDBG contract in quantifiable terms, where applicable.** Wherever possible, include the number of persons or households served. For example:

- 15 houses rehabilitated (49 people served);
- 1,050 feet of water pipe installed (150 people in 45 households served);
- 19 full-time equivalent jobs created and 25 retained (130 people in 50 households served).

**For those proposed accomplishments which are not easily quantifiable** (e.g., achieved compliance with federal standards, or eliminated serious threats to public health), attach a separate narrative sheet and describe what was proposed.

## **2.F -- Column F -- ACTUAL ACCOMPLISHMENTS**

For each activity, **describe the actual accomplishments achieved in quantifiable terms, where applicable, and include the number of persons and households served, where possible.** The terms in Column F should be the same as in Column E (although actual accomplishments may differ). For example:

- 14 houses rehabilitated (45 people in 14 households served);
- 1,050 feet of water pipe installed (150 people in 45 households served);
- 20 full-time equivalent jobs created and 25 retained (135 people in 51 households served).

**For those accomplishments which are not easily quantifiable** (e.g., achieved compliance with federal standards, or eliminated serious threats to public health), attach a separate narrative sheet and provide a description of what was accomplished and (as needed) a narrative explanation for any differences between the original proposed accomplishments (in E) and the final accomplishments (in F).

**2.G -- Column G -- AMOUNTS USED FOR NATIONAL OBJECTIVES** -- Enter the total amounts, (including program income but excluding administration) expended for each national objective.

### **STEP 3:**

#### **COMPLETE CIVIL RIGHTS REPORTING FORMS** and **PROVIDE NARRATIVE SUMMARIES**

##### **3.A. DIRECT BENEFIT ACTIVITIES** (Exhibit 13-D, Direct Benefit Summary Data)

For direct benefit activities such as housing rehabilitation, payment of special improvement district or water meter assessments, relocation, and job creation, attach a completed **Exhibit 13-D** (Direct Benefit Summary Data) to show benefits received by each assisted household. (Computer files for 13-D are available for your use.)

Where more than one page must be filled out in **Exhibit 13-D** to provide the direct benefit information, the grant recipient must provide a tabular summary including numbers and percentages of the total beneficiaries according to the categories included in the exhibit: racial/ethnic category, male, female, handicapped, elderly, etc.

**For economic development projects**, a reporting form has been included as **Exhibit 8-F** in Chapter 8 (Economic Development) to track and record employment creation and retention and direct benefits data. (Exhibit 8-F may be used by grantees instead of **Exhibit 13-D** to record direct benefits data for economic development projects.

**3. B. INDIRECT BENEFIT (AREA-WIDE BENEFIT) ACTIVITIES (Exhibit 13-F)**

Complete **Exhibit 13-F** (Indirect Benefits Reporting Form).

**3.C. CONTRACT REPORTING (Exhibit 13-E)**

For all projects with construction contracts of \$10,000 or more, attach a completed **Exhibit 13-E** (Contract Reporting Form).

**D. “SECTION 3” COMPLIANCE EFFORTS (Exhibit 9-L and Exhibit 13-H )**

Complete a summary of **Section 3** results achieved. (Refer to results reported in **Exhibit 9-L**. and then complete **Exhibit 13-H** as a summary report). See Chapters 5 and 9 for information about “Section 3.”

**STEP 4:**

**CALCULATE CDBG FUNDS USED TO BENEFIT LOW AND MODERATE INCOME (LMI) HOUSEHOLDS**  
and  
**CITE APPLICABLE NATIONAL OBJECTIVES**

For each applicable activity listed in the Activity Key in **Exhibit 13-B**, provide a summary of benefits for low and moderate income (LMI) households by following the instructions in **Exhibit 13-G**.

**STEP 5: ALSO PROVIDE THE FOLLOWING INFORMATION:**

- 5.A **A copy of the final plan for the use of CDBG Program Income**, if applicable.
- 5.B **For economic development grants**, provide **documentation of actual accomplishments compared to the hiring goals and timetables specified in the project contract and hiring and training plan**.
- 5.C **Describe any Labor Standards compliance actions taken** to insure that there are no open-ended action items requiring restitution, escrow of funds or liquidated damages requirements.

- 5.D **An inventory of property** costing \$5,000 or more acquired with CDBG funds, or directly involved with the project if acquired with other funds, and the CDBBG amounts expended for the property.
- 5.E **A copy of the project engineer's final inspection report or letter giving final acceptance of the project completed, if applicable.**
- 5.F **An assessment of the relationship of the use of the CDBG funds to one of the state objectives** (Appendix C in the CDBG Application Guidelines) contained in your original application for this project.
- 5.G **A summary of each citizen comment regarding the CDBG project received by the local governing body or the local CDBG project manager should be attached to the Project Completion Report.** The summary should include the grantee's assessment of the citizen comment and a description of any action taken in response to the comment.
- 5.H **Any comments or suggestions you may have that, in your opinion, based on your CDBG project administration experiences, may improve the State CDBG program or project administration for other similar CDBG projects.** Your local perspective on the Montana CDBG Program's policies and procedures would be very helpful for improving the program for future recipients.

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Please consult with CDBG staff as you work on completing this report.

**EXHIBIT 13-B  
FINAL PERFORMANCE REPORT**

GRANTEE \_\_\_\_\_

CONTRACT #MT-CDBG-\_\_\_\_\_

A	B	C	D	E	F
ACTIVITY (* )	AMOUNT	PURPOSE (**)	NATIONAL OBJECTIVE (***)	PROPOSED ACCOMPLISHMENTS	ACTUAL ACCOMPLISHMENTS

<b>G. AMOUNTS USED FOR NATIONAL OBJECTIVES</b>	
Benefit Low and Moderate Income Persons	_____
Prevent of Eliminate Slums and Blight	_____
Meet Urgent Community Development Needs	_____
<b>TOTAL</b>	_____

<b>(**)</b> <u>PURPOSE CODES</u>
ED --Economic Development
H ---Housing/Neighborhood Renewal
PF---Public Facilities

<b>***</b> <u>NATIONAL OBJECTIVE CODES</u>
LMA-----Low / Mod Area
LMC-----Low / Mod Limited Clientele
LMH-----Low / Mod Housing
LMJ ----Low / Mod Job Creation / Retention
LMJFI --Low / Mod Job Creation / Retention, Public Facility
SBA-----Slum / Blight Area Benefit
SBS-----Slum / Blight Spot Basis

<b>(*)</b> <u>ACTIVITY CODES</u>	
01 ---- Acquisition of Real Property	10 ----- Removal of Architectural Barriers
03 ---- Public Facilities & Improvements not covered in other 03 codes	14A --- Rehab Single Unit Residential
03E --- Neighborhood Centers	14C --- Rehab Public Housing Modernization
03I ---- Flood Drainage Improvements	17 ----- Homeownership Assistance
03J---- Water/Sewer Improvements	17C --- Commercial / Industrial Building Acquisition / Construction / Rehab by Grantee / Nonprofit
03K --- Streets	18A --- Economic Development-Direct Financial Assistance to For-Profit
04A --- Clean-up of Contaminated Sites	20 ----- Planning
05 ----- Public Services	21A- -- General Program Administration
08 ----- Relocation	

**NOTE: Contact your CDBG contract liaison to learn which activity codes or category you need to list in reporting on your project.**

**EXHIBIT 13-C (Part A)  
CERTIFICATION OF COMPLETION  
FINAL STATUS OF FUNDS REPORT <sup>1</sup>**

<b>CHECK APPLICABLE STATUS:</b> _____ <i>Conditional</i> Approval Request _____ <i>Final</i> Approval Request		<b>Name and Address of Grantee</b> _____ _____ _____		
<b>MDOC CONTRACT # MT-CDBG- _____ - _____</b>				
<b>Part A. STATEMENT OF COST</b>				
Budget Line Item	Grant Amount Budgeted	Grant Expended to Date <sup>1</sup>	Balance Remaining	Program Income
<b>Administration:</b>				
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
<b>10. Total Administration Budget</b>				
<b>Activity Budget:</b>				
11.				
12.				
13.				
14.				
15.				
<b>16. Total Activity Budget</b>				
<b>17. Total Grant Budget</b>				
			<b>Program Income Summary</b>	
			Received to Date:	
			Expended:	
			Program Income Balance	

<sup>1</sup> All funds except those for the final closeout audit must have been drawn and expended.

**EXHIBIT 13-C (Part B)**

(Instructions: Include a separate copy of PART B for each non-CDBG funding source involved in the project.)

**PART B. STATEMENT OF COSTS: \_\_\_\_\_ FUNDS**

<b>Budget Line Item</b>	<b>Final Amount Budgeted</b>	<b>Expended to Date</b>	<b>Balance Remaining</b>
<b>ADMINISTRATION</b>			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
<b>TOTAL ADMINISTRATION BUDGET</b>			
<b>ACTIVITY BUDGET</b>			
9.			
10.			
11.			
12.			
13.			
<b>TOTAL ACTIVITY BUDGET</b>			
<b>TOTAL BUDGET</b>			

**CONDITIONAL CLOSEOUT CERTIFICATION**

**UNPAID COSTS AND UNSETTLED THIRD PARTY CLAIMS**

1. Are there any unpaid costs and unsettled third-party claims against the CDBG grant?  
Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, describe circumstances and amount involved on separate sheets and attach.

2. Estimate the amount of the CDBG portion of the audit cost required for final closeout.  
\$ \_\_\_\_\_

**GRANTEE CERTIFICATION**

It is hereby certified that all activities undertaken by the Grantee with funds provided under contract #MT-CDBG-\_\_\_\_\_ have been carried out in accordance with said contract and that:

- A. Proper provision has been made by the Grantee for payment of all unpaid costs and unsettled third party claims identified above, all labor standards applicable to this contract have been complied with, and there are, to the grantee's knowledge, no outstanding labor claims;
- B. The statements and information contained in this Project Completion Report are true and correct;
- C. All records related to grant activities are available on request and will be retained for four years after the date of final closeout approval by MDOC consistent with the requirements set out 24 CFR 570.502(a)(16);
- D. CDBG funds were not used to reduce the level of local financial support for housing and community development activities;
- E. The project will be or has been audited in accordance with CDBG program requirements in the next audit of the Grantee;
- F. It is acknowledged that MDOC retains the right to recover funds for disallowed costs resulting from the final audit;
- G. Program income, if any, will be managed and expended according to the adopted program income plan attached to this report and all applicable requirements set out in 24 CFR 85.25 and 24 CFR 570.504;
- H. Any real property or equipment acquired with CDBG funds, in whole or in part, during the term of the project, will be managed and disposed of if necessary, according to the applicable provisions 24 CFR 85.31 and 85.32 and 24 CFR 570.505; and
- I. The status of funds report represents the correct total CDBG expenditures and budget balances as of this date.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Typed Name and Title of Chief  
Elected Official or Executive Officer)

\_\_\_\_\_  
(Signature of Chief Elected  
Official or Executive Officer)

**FINAL CLOSEOUT CERTIFICATION**

**CERTIFICATION OF GRANTEE**

It is hereby certified that all activities under taken by the Grantee with funds provided under contract #MT-CDBG-\_\_\_\_\_ have been carried out in accordance with said contract; and that

- A. There are no unpaid costs or third party claims remaining against the CDBG grant, all labor standards applicable to this contract have been complied with, and there are, to the grantee's knowledge, no outstanding labor claims;
- B. The statements and information contained in this Project Completion Report are true and correct;
- C. All records related to grant activities are available on request and will be kept for four years after the date of final closeout approval by MDOC consistent with the requirements set out 24 CFR 570.502(a)(16).
- D. CDBG funds were not used to reduce the level of local financial support for housing and community development activities;
- E. A final audit has been conducted on at least 90% of the CDBG funds in accordance with CDBG program requirements and all findings, if any, have been resolved;
- F. The status of funds report represents the amounts identified in the audit as being the correct total CDBG expenditures accepted for the project;
- G. It is hereby acknowledged that any remaining unexpended balance of funds for the CDBG project under this contract will be retained or recovered by DOC;
- H. Program income, if any, will be managed and expended according to the adopted program income plan attached to this report and that all applicable requirements set out in 24 CFR 85.25 and 24 CFR 570.504; and
- I. Any real property or equipment acquired with CDBG funds, in whole or in part, during the term of the project, will be managed and disposed of, if necessary, according to the applicable provisions of 24 CFR 85.31 and 85.32 and 24 CFR 570.505.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Typed Name and Title of Chief  
Elected Official or Executive Officer)

\_\_\_\_\_  
(Signature of Chief Elected  
Official or Executive Officer)



**EXHIBIT 13-D: DIRECT BENEFIT SUMMARY**

BENEFICIARY NAME AND ADDRESS	ETHNIC CATEGORY (*)	RACIAL CATEGORY (**)	M	F	H	E	FHH	EXTREMELY LOW INCOME, LOW INCOME, OR MODERATE INCOME	# IN HOUSEHOLD	HOUSEHOLD INCOME	AMOUNT OF ASSISTANCE	TYPE OF ASSISTANCE
<b>TOTALS</b>												

**(\*\*) RACIAL CATEGORY CODES:** 1. White 2. Black or African American 3. Asian 4. American Indian or Alaskan Native 5. Native Hawaiian or Other Pacific Islander 6. American Indian or Alaskan Native and White 7. Asian and White 8. Black or African American and White 9. American Indian or Alaskan Native and Black or African American 10. Other Multi-racial (balance of individuals reporting more than one race)

**(\*) ETHNIC CATEGORY CODES:**  
 HL: Hispanic or Latino NHL: Not Hispanic or Latino  
**OTHER CODES:** M – Male F – Female  
 H – Handicapped E – Elderly (62 and over)  
 FHH - Female Head of Household

**EXHIBIT 13-E**

(Exhibit 13-E is the same as Exhibit 9-K and Exhibit 5-J.)

Montana Department of Commerce / CDBG Program – Updated October, 2003 <b>CONTRACT REPORTING FORM – CONTRACT AND SUBCONTRACT ACTIVITY</b> For contract and subcontract activities of \$10,000 or more										
Grantee Name						<u>Date Submitted:</u>				
Contact Person			Phone							
(A) Contractor's Montana Registration Number	(B) Amount of Contract	(C) Type of Trade (See codes below)	(D) Business Ethnicity, Racial Category and Gender (See codes below)	(E) Contractor ID Number	(F) Sub- contractor ID Number	(G) Contractor/Subcontractor -- Name and Address				
						Name	Street	City	State	Zip
		<u>Trade Codes</u> 1 Construction 2 Education / Training 3 Other	<b><u>ETHNICITY CODES:</u></b> HL (Hispanic or Latino), NHL (Not Hispanic or Latino). <b><u>RACIAL CODES:</u></b> 1. <u>White</u> , 2. <u>Black or African American</u> , 3. <u>Asian</u> , 4. <u>American Indian or Alaskan Native</u> , 5. <u>Native Hawaiian or Other Pacific Islander</u> , 6. <u>American Indian or Alaskan Native and White</u> , 7. <u>Asian and White</u> , 8. <u>Black or African American and White</u> , 9. <u>American Indian or Alaskan Native and Black or African American</u> , 10. <u>Other Multi-racial</u> <b><u>GENDER CODES:</u></b> WBE ( <u>Woman-owned</u> ).							

**EXHIBIT 13-E** (Exhibit 13-E is the same as Exhibit 9-K and Exhibit 5-J.)  
**CONTRACT REPORTING FORM**  
**-- INSTRUCTIONS --**

This report is to be used by grantees to report contract and subcontract activities of \$10,000 or more under the Community Development Block Grant (*Entitlement and Small Cities*). Grantees should also include contracts entered into by recipients of CDBG rehabilitation assistance. Contracts and subcontracts of less than \$10,000 may be reported at the option of the grantee, if the grantee believes that in the aggregate such contracts represent a significant portion of its contracting activity.

Business ethnicity, racial and gender codes (all of which are listed at the bottom of the form on page 1 of the form) are to be used to designate the ethnic, racial and gender character of the business entity receiving a contract or subcontract. To be classified in a particular racial, ethnic or gender category, a business entity must be 51% or more owned and controlled by the racial/ethnic/gender group members of the category. When a business is not 51% or more owned and controlled by a single racial/ethnic/gender group, enter the code for the group that seems most appropriate.

The contractors (*firms or organizations that contract directly with the local government receiving CDBG funds*) and subcontractors (*firms or organizations that contract with contractors*) names and addresses need only be included once on any quarterly report. The contractor's ID Number is to be shown on all prime contracts and on all of that contractor's subcontracts. For subcontracts, the subcontractor's ID number is also to be shown. When entering a subcontract show only the amount of the subcontract and the "type of trade" and business racial/ethnic/gender codes of the subcontractor. The form is to be completed as follows:

1. **Grantee Name.** Enter the name of the unit of government submitting report of contract/subcontract activity.
2. **Contact Person.** Enter name and phone number of person responsible for maintaining and submitting contract data at respective unit of government.
3. **Date Report Submitted.** Enter date the report is submitted to DOC.
4. **Contractor's Montana Registration Number [Column A].** Enter the contractor's license number.
5. **Amount of Contract [Column B].** Enter the dollar amount of the contract or subcontract. Round the figures to the nearest thousand dollars. If subcontractor ID Number is provided, the dollar figure would be for the subcontract only - not the prime contract.

6. **Type of Trade [Column C].** Enter the numeric code (*1 thru 3*) which best indicates the contractor's/subcontractor's service. If Subcontractor ID Number is provided, the type of trade code would be for the subcontractor only - not the prime contractor. The other category includes supply, professional services and all other activities except construction and education/training activities.
7. **Business Racial/Ethnicity/Gender Code [Column D].** Enter all the appropriate racial, ethnicity and gender codes (listed at the bottom of the form on page 1) that indicate the racial, ethnic and gender background of the contractor/subcontractor. If the Subcontractor ID Number is provided, the code would apply to the Subcontractor - not the Prime Contractor.
8. **Prime Contractor ID Number [Column E].** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of CDBG funds. Note that the Employer's Number must be provided for each contract or subcontract awarded.
9. **Subcontractor ID Number [Column F].** Enter the Employer (IRS) Number of the Subcontractor as the unique identifier for each subcontract awarded from CDBG funds. (When the Subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.)
10. **Contractor/Subcontractor Name and Address [Column G].** Enter the name and address information for each firm receiving contract / subcontract activity. This information needs to be provided only one time on each report for each firm.

EXHIBIT 13-F

**INDIRECT BENEFITS (AREA-WIDE BENEFITS) REPORTING FORM**

For each applicable activity (of the "Activities" listed in *Exhibit 13-B*), which provided **area-wide indirect benefits**, show the extent to which protected groups (listed in chapter 5 and below) have benefited from the activity by identifying the percent of beneficiaries in the project area and in the grantee's jurisdiction who are in the following categories:

**IN THE PROJECT AREA**

**Ethnic category:**

\_\_\_\_% Hispanic or Latino

\_\_\_\_% Not Hispanic or Latino

**Racial category:**

\_\_\_\_% White

\_\_\_\_% Black or African American

\_\_\_\_% Asian

\_\_\_\_% American Indian or Alaskan Native

\_\_\_\_% Native Hawaiian or Other Pacific Islander

\_\_\_\_% American Indian or Alaskan Native *and* White

\_\_\_\_% Asian *and* White

\_\_\_\_% Black or African American *and* White

\_\_\_\_% American Indian or Alaskan Native  
*and* Black or African American

\_\_\_\_% Other Multi-racial (balance of individuals  
reporting more than one race)

**Other/Special Status category:**

\_\_\_\_% Handicapped

\_\_\_\_% Female Heads of Household

\_\_\_\_% Elderly (Over 62)

\_\_\_\_% Low and Moderate Income

\_\_\_\_% Extremely Low Income (30% and below)

\_\_\_\_% Low Income (50%-31%)

\_\_\_\_% Moderate Income (80%-51%)

**IN THE GRANTEE'S JURISDICTION**

**Ethnic category:**

\_\_\_\_% Hispanic or Latino

\_\_\_\_% Not Hispanic or Latino

**Racial category:**

\_\_\_\_% White

\_\_\_\_% Black or African American

\_\_\_\_% Asian

\_\_\_\_% American Indian or Alaskan Native

\_\_\_\_% Native Hawaiian or Other Pacific Islander

\_\_\_\_% American Indian or Alaskan Native *and* White

\_\_\_\_% Asian *and* White

\_\_\_\_% Black or African American *and* White

\_\_\_\_% American Indian or Alaskan Native  
*and* Black or African American

\_\_\_\_% Other Multi-racial (balance of individuals  
reporting more than one race)

**Other/Special Status category:**

\_\_\_\_% Handicapped

\_\_\_\_% Female Heads of Household

\_\_\_\_% Elderly (Over 62)

\_\_\_\_% Low and Moderate Income

\_\_\_\_% Extremely Low Income (30% and below)

\_\_\_\_% Low Income (50%-31%)

\_\_\_\_% Moderate Income (80%-51%)

## EXHIBIT 13-G

### **CALCULATION OF CDBG FUNDS USED TO BENEFIT LOW AND MODERATE INCOME (LMI) HOUSEHOLDS AND CITATION OF NATIONAL CDBG OBJECTIVES**

Grantees should use the attached form (page 13-G.3) to document compliance with two important CDBG requirements:

- (a) benefit to low and moderate income persons; and
- (b) national objectives.

#### **A. Benefit to Low and Moderate Income Persons**

The calculation of benefit to low and moderate income households or persons is a two-stage process.

*First*, the percentage of benefit to low and moderate income households or persons must be calculated for each activity.

*Second*, these percentages must be applied to the CDBG funds expended for each activity to get the total number of dollars that benefited low and moderate income households or persons.

Each step in the calculation is described below. Applicants should use the form on page 13-G.3 to describe the total CDBG dollar and percentage benefit that resulted from their projects. **Households, persons or jobs** may be used as the basis for the calculation -- as long as the method selected is **consistent** throughout.

1. In Column A, describe the activity by name, for example, "Housing Rehabilitation." (Do not include *administrative* activities -- the activities should be the same as those shown on the appropriate category of the *Activity Key* on *Exhibit 13-B*.)
2. In Column B, show the total number of households (or persons) that the activity served or the total number of fulltime equivalent (FTE) jobs created or retained.
3. In Column C, show the number of low and moderate income households (or persons) served by the activity or the number of jobs created or retained.
4. In Column D, show the percentage of low and moderate income households (or persons) served by the activity. (This is derived by dividing the number in Column C by the number in Column B for that activity.)

5. In Column *E*, show the total amount of CDBG funds expended for the activity.
6. In Column *F*, show the total amount of those funds that were used to benefit low and moderate income households (or persons). (This is derived by multiplying Column *E* by the percentage in Column *D*.)
7. At the bottom of Column *E*, show the total amount of **non-administrative** CDBG funds used (by adding up the CDBG funds expended for each activity).
8. At the bottom of Column *F*, show the total amount of funds that were used to benefit low and moderate income households (or persons) -- by adding up the amount of funds that benefited low and moderate income households for each activity.
9. Determine the Overall Percent Benefit to Low and Moderate Income Households (or Persons) -- by dividing the total of Column *F* by the total of Column *E* -- in order to get the total CDBG project benefit to low and moderate income households or persons expressed as a percentage. Include the percentage at the bottom of the form -- at line H.

## **B. National Objectives**

The Housing and Community Development Act of 1974 requires all CDBG grantees to declare which of the three national objectives for the CDBG program was served by each activity proposed. In Column G ("NATIONAL OBJECTIVE SERVED") on the attached form, please enter, for each one of the following (***L/M***, ***S/B*** or ***URG***):

Enter "***L/M***" if the activity principally benefited persons of low and moderate income. ***L/M*** includes:

- LMA**: Low/mod area benefit -- the service area identified for activities is primarily made up of low and moderate income households; or
- LMC**: Low/mod limited clientele benefit -- activities benefit a limited clientele, at least 51% of which are low and moderate income; or
- LMH**: Low/mod housing benefit -- activities that are carried out for the purpose of providing or improving permanent residential structures which will be occupied by low and moderate income households; or
- LMJ**: Low/mod job creation/retention: activities designed to create or retain permanent jobs, at least 51% of which will involve the employment of low and moderate income persons; or
- LMJFI**: Low/mod job creation/retention, public facility/improvement benefit -- activities where a public facility/improvement is undertaken principally for the benefit of one or more businesses that will result in the creation/retention of jobs.

Enter “S/B” if the activity principally eliminated slum and blight. S/B includes:

**SBA:** *Slum/blight area benefit:* activities that address the prevention or elimination of slum and blight in a designated area; *or*

**SBS:** *Slum/blight spot basis:* activities that address condition of blight or physical decay on a spot basis not located in a slum/blight area.

Enter “URG” for **Urgent Need:** activities that are designed to alleviate existing conditions of recent origin that pose a serious/immediate threat to the health/welfare of the community, and the grantee is unable to finance the activity on its own nor are other funds available.



**CALCULATION OF CDBG FUNDS BENEFITING LOW AND MODERATE (LMI) INCOME HOUSEHOLDS  
AND  
CITATION OF NATIONAL OBJECTIVES**

A	B	C	D	E	F	G
ACTIVITY DESCRIPTION (Do not include Administrative Activities)	# OF JOBS CREATED OR RETAINED <i>--- Or ---</i> # OF HOUSEHOLDS (or PERSONS) THIS ACTIVITY SERVED	# OF JOBS CREATED OR RETAINED <i>--- Or ---</i> # OF LMI HOUSEHOLDS (or PERSONS) THIS ACTIVITY SERVED	% OF LMI HOUSEHOLDS (or PERSONS) THIS ACTIVITY SERVED	AMOUNT OF CDBG FUNDS FOR THIS ACTIVITY	AMOUNT OF CDBG FUNDS BENEFITING LMI HOUSEHOLDS (or PERSONS)	NATIONAL CDBG OBJECTIVE SERVED
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
				<b>TOTAL \$</b>	<b>TOTAL \$</b>	

**H.**  
**OVERALL PERCENT BENEFIT TO LOW AND MODERATE INCOME HOUSEHOLDS/PERSONS** =  $\frac{\text{Total, Column F}}{\text{Total, Column E}}$  = \_\_\_\_\_ %

**EXHIBIT 13-H**  
**(identical form is Exhibit 9-J)**

***Section 3 Summary Report  
Economic Opportunities for  
Low- and Very Low-Income Persons***

U.S. Department of Housing  
And Urban Development  
Office of Fair Housing  
And Equal Opportunity

**OMB Approval No. 2529-0043**  
**(exp. 11/30/2010)**

1. Recipient Name & Address: (Street, City, State, Zip)	2. Federal Identification: (contract/award no.)	3. Dollar Amount of Award
	4. Contact Person:	5. Phone: (include area code)
	6. Reporting Period	7. Date Report Submitted

8. Program Code: * (Use a separate sheet for each program code)	9. Program Name:
--	------------------

<b>Part I: Employment and Training (** include New Hires in columns E &amp; F)</b>					
<b>A</b> Job Category	<b>B</b> Number of New Hires	<b>C</b> Number of New Hires that are Sec. 3 Residents	<b>D</b> % of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	<b>E**</b> % of Total Staff Hours for Sec. 3 Employees and Trainees	<b>F**</b> Number of Sec. 3 Employees And Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade (List Trade)					
Trade					
Trade					
Trade					
Trade					
Other (List)					
TOTAL					

<b>*Program Codes</b>			
1 = Flexible Subsidy	3 = Public/Indian Housing	4 = Homeless Assistance	<b>8 = CDBG-State Administered</b>
2 = Section 202/811	A = Development	5 = HOME	9 = Other CD Programs
	B = Operation	6 = HOME-State Administered	10 = Other Housing Programs
	C = Modernization	7 = CDBG-Entitlement	

**Part II: Contracts Awarded**

**1. Construction Contracts:**

A. Total Dollar Amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

**2. Non-Construction Contracts:**

A. Total dollar amount of all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction Contracts	

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply)

- Attempted to recruit low-income residents through methods such as: ~ Local advertising media, ~ signs prominently displayed at the project site, ~ contacts with community organizations and public or private agencies operating within the metropolitan area (or non metropolitan county) in which the Section 3 covered program or project is located, or ~ similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other: Describe below.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u., mandates that the Department ensure that Employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3. To assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a data base and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A- are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002