



Enterprise Community Partners, Inc. Section 4 Grants Guide

Table of Contents

Overview	1
Purpose of the Grants Guide	1
Program Requirements	2
Selection Process	2
Administrative Requirements	2
Grant Terms	3
Applicable Federal Regulations.....	3
Eligible Use of Grant Funds.....	3
Developing a Grant Scope of Work	5
Developing a Grant Budget	6
The Grant Agreement	8
Disbursement Requests & Grant Close Out	9
Disbursements Submitted throughout the Grant Period of Performance.....	9
Final Disbursement & Grant Close Out.....	10
Repayment Information for Recoverable Grants	11
Grant Modifications.....	12
Budget Modifications.....	12
Scope of Work & Period of Performance Modifications	12
Grantee Auditing & Documentation of Expenses	13
Examples of Documentation for Common Grant Expenses	13
Appendix A – Organizational Requirements.....	15
Appendix B – DUNS & SAM Guidance	17
Appendix C – Match Guidance	18
Appendix D – Consultant Guidance	20
Appendix E – Applicable Federal Regulations.....	22
2 CFR 200	22
Davis Bacon Act.....	23
Uniform Relocation Assistance and Real Property Acquisition Act (URA).....	23
Section 3.....	25
Copeland Anti-Kick Back Act	25
Appendix F – Questionnaire for Subrecipients of Federal Funding	26
Appendix G – Sample Activities Report	32

Overview

Enterprise Community Partners' (Enterprise) mission is to create opportunity for low- and moderate- income people through affordable housing in diverse, thriving communities. Enterprise recognizes that for housing to be a springboard to a life full of opportunity, it must be connected to the essential building blocks for success, including transportation, employment, supportive services, recreation opportunities and food and retail services that support a healthy lifestyle.

As such, our grant making efforts reflect our mission. The majority of grant funding that we offer is made available through the U.S. Department of Housing and Urban Development's (HUD) Section 4 Capacity Building Program. The purpose of the Section 4 program is to enhance the technical and administrative capacity of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out community development and affordable housing activities for the benefit of low income families. CDCs and CHDOs play a critical role in the development and preservation of high quality affordable housing and the implementation of community development programs.

Since its enactment, Section 4 has been utilized and understood as a "capacity building program," including housing production, but by no means limited to it. During the past four years (2011 - 2014), Enterprise has disbursed more than \$74 million in Section 4 resources to build the capacity of 495 partners in 41 states, plus Washington, D.C. and Puerto Rico, and nearly 220 cities. This investment, in both urban and rural areas, has generated more than \$2.8 billion in direct real estate investments and assisted in building, renovating or preserving more than 11,900 affordable housing units and 121,000 square feet of neighborhood-serving facilities.

Purpose of the Grants Guide

This Grants Guide was developed to provide grantees with an effective tool for managing all aspects of their grant with Enterprise. The Guide walks through the steps in our grants process from the Request for Proposal (RFP) stage until the close of the grant, and also provides references to enhance our grantee's understanding of the policies and requirements governing federal funding.

As information changes, Enterprise will post updates to this Guide on our [website](#).

We hope this Guide will aid you in successfully managing your grant. If you have questions please contact the Grants Specialist listed on your grant agreement.

Program Requirements

Selection Process

The following steps in the grant award process are provided to assist grantees in anticipating the grant requirements. Detailed information about each step is outlined below.

The RFP and Selection Process

Grant funding is made available through the U.S. Department of Housing and Urban Development's (HUD) Section 4 Capacity Building Program (Section 4). Section 4 grant funds may only be awarded to organizations that are Community Housing Development Organizations (CHDOs); Community Development Corporations (CDCs) as defined by the HUD Section 4 program definition; or are organizations serving Native American Populations with a defined mission that includes affordable housing. See [Appendix A](#) for details on eligibility requirements.

All grants are awarded through an open, competitive Request for Proposals (RFP) process. Enterprise provides funding to CDCs and CHDOs across a range of programs that support a strong housing delivery system and the creation and preservation of affordable housing in high opportunity communities.

Administrative Requirements

DUNS Number - All organizations receiving federal funds are required to obtain a Dun & Bradstreet (DUNS) number (including subcontractors and consultants of grantees). The DUNS is a unique nine-character number that identifies an organization. For questions on obtaining a DUNS number please refer to [Appendix B](#).

Registration at [SAM.gov](#) Requirement - In addition, grantees and all subcontractors and consultants engaged by grantees through this grant must be registered in the System for Award Management (SAM). The SAM is a free website used in Federal awards processes. Organizations that selected to opt out of the public search must submit proof of active registration in SAM. For questions on registering please refer to [Appendix B](#).

Questionnaire for Sub-recipients of Federal Funding – As part of the RFP process, applicants are required to submit a completed Sub-recipient Questionnaire and provide supporting documentation. This request is based on federal requirements contained in 2 CFR 200 which requires Enterprise to review and evaluate the risk associated with potential grantees prior to making awards. If deemed necessary, grantees are required to participate in an on-site organizational assessment as well as subsequent program audits.

Good Standing - Grantees must be in good standing within their state of incorporation. Enterprise will verify this information before a grant agreement is issued and may contact the grantee with any follow up questions.

Federal Funding Accountability and Transparency Act (FFATA) – Grantees must comply (as applicable) with FFATA and provide necessary information to enable Enterprise to comply with FFATA reporting requirements. Please visit <http://www.frs.gov> for more information.

Grant Terms

Executed Grant Agreement – Enterprise cannot finalize grant commitments until the conditions of the award are satisfied and a grant agreement is executed (signed) by Enterprise and the grantee organization.

Cost Reimbursement - All grants are awarded on a cost reimbursement basis; grant disbursements occur after expenses have been incurred. All grantees are required to submit an activity report documenting their work to date with the disbursement request. Additionally, some grantees will be required to submit documentation supporting the expenses being invoiced.

Match - The Section 4 program requires Enterprise to raise match from private sources for every dollar of Section 4 funds spent. Enterprise in turn requests that grantees demonstrate their ability to provide matching dollars to assist Enterprise in meeting this requirement. Please see [Appendix C](#) for additional information.

Case Study – Enterprise is committed to sharing our grantee’s accomplishments, best practices and lessons learned with key stakeholders and other affordable housing organizations across the country. In an ongoing effort to highlight these accomplishments, all grantees are required to complete a Case Study. Please be aware that the information provided in the Case Study will be available publically and will also be used to support Enterprise’s efforts to advocate for additional resources specific to affordable housing, such as continued allocations for Section 4 funding from the U.S. Department of Housing and Urban Development.

Dedicated Staff Contacts – Grantees are required to meet (in-person or via phone) with Enterprise staff before the grant agreement is executed to finalize the grant agreement. Additionally, to ensure good communication and consistent project progress, periodic meetings will take place with dedicated grant management and programmatic staff.

Work Products – For our records, we request that any work products (i.e. reports, work plans, etc.) developed through grant funding be shared with Enterprise at the end of the grant term.

Sharing Knowledge with the Field –Grantees may be asked to participate on a webinar, conference call, panel discussion, or other activity to share outcomes from their grant award with the field. We request that grantees participate when possible.

Applicable Federal Regulations

Grantees receiving Section 4 funds should understand the federal regulations that govern the use of the program funds. Please see [Appendix E](#) for additional information on the 2 CFR 200 regulations that apply to Section 4 use, Environmental Regulations, the Davis – Bacon Act, Section 3, the Copeland Anti-Kick Back Act and the Uniform Relocation Assistance and Real Property Acquisition Act (URA).

Eligible Use of Grant Funds

While this list is not comprehensive, it provides a sense of what types of costs are allowable. For a detailed list of allowable and unallowable costs, please consult 2 CFR 200, Subpart E – Cost Principles, your Enterprise contact person, or your Enterprise Grants Specialist.

Staff Salaries – for existing staff members or new staff members, which can include fringe benefits.

Consultants – for capacity building activities that fall within the program areas of the RFP.

Organizational/financial assessments and predevelopment activities are some examples of eligible consultant activities. However, consultants shall be chosen through full and open competition and must possess the ability to perform successfully under the terms and conditions of the proposed activity with price and other factors considered. Consultant pricing shall be fair, reasonable and comparable to pricing of other entities providing similar Services. For more information on funding consultants with Section 4 dollars see [Appendix D](#).

Staff or Board Training – topics can include housing development, financial management, economic development, asset management, board development, or technology delivered through seminars/workshops or by a consultant;

Computer Software/Hardware – or other essential technical equipment; and

Other professional services required for project/portfolio or financial planning.

Grant funds may not be used for the following costs:

- Ongoing business expenses or organization costs
- Direct or indirect construction costs*
- Expenses for new lines of business or start-up costs, including staff and consultant fees related to these efforts
- Fundraising activities
- Advocacy activities
- Dues for lobbying activities
- Bad debts
- Contributions and donations
- Entertainment costs, including amusement, diversion, social activities and alcohol
- Giveaways/prizes, incentives, stipends
- Fines, penalties and judgements
- Interest and other financing costs
- Investment costs
- Capital expenditures or land acquisition
- Costs of idle facilities
- Housing and personal living expenses
- Contingency reserves
- Other costs pursuant to program or regulatory requirements.

* Use of grant funds must comply with HUD's environmental regulations in 24 CFR Part 50. Project must have approval from HUD to use funds for direct or indirect construction costs, or other costs as required by 24 CFR Part 50. See [Appendix E](#).

Developing a Grant Scope of Work

The grant scope of work (SOW) should provide background on the organization’s history, mission, core values and goals, areas served, and target audience. In addition, the scope should provide a clear, concise description of the project or program that the grant funds will support and include information on the intended use of funds (staff time, consultant expenses, meeting prep, etc.):

If **staff time** will be supported under the grant, include information on each staff member (titles only) and their roles and responsibilities related to the grant activities.

If **consultant expenses** will be supported under the grant, include the roles and responsibilities of the consultant (titles only) related to the grant activities.

If any **materials** or **deliverables** will be produced, please include a distribution strategy (i.e. available for free on website, will notify partners at XYZ national conference). **Note: Enterprise must review and approve any materials produced prior to publication and/or distribution.*

A timetable for completion of the activities and measurable outcomes must also be included. Outcomes are the measurement of accomplishments made utilizing these grant funds. These are the markers of advancement of a project towards a goal. SOW’s must identify those accomplishments that will be achieved during the period of performance of the grant. All outcomes should be associated with a date. The measurable outcomes are the benchmarks against which grantees report progress against their grant.

In addition, grantees should provide details on how the grant funds will help to build and/or strengthen the overall capacity of their organization. The SOW must show how this funding will impact the organization, the neighborhood, the system of community development, or any other contextual elements that demonstrate why the program is valuable.

The SOW must be submitted in Microsoft Word format and may not exceed 4 pages in length.

Developing a Grant Budget

The grant budget must provide specific information on the amount of funds needed to sustain the activities in the grantee’s SOW and show enough detail to justify the amount of funds requested for SOW activities.

For Section 4 funded grants, all costs must be allowable by the federal government and approved by Enterprise. Please see [Eligible Use of Grant Funds](#) for additional information about allowable and unallowable costs.

To avoid delays with processing grant agreements or reimbursement requests, grantees should review proposed activities with Enterprise program staff to assess whether they are allowable or unallowable.

Specific questions regarding allowable costs should be directed to your Grants Specialist.

Completing the Budget Template

The budget template is in Microsoft Excel format and contains two tabs:

- *Budget & Disbursement Request*: Grantee will enter the expenses that the grant will support (staff, fringe, consultants, other direct costs, etc.).
- *Salary Worksheet (Optional)*: Grantees may use this tab if help is needed to calculate salary and fringe expenses. Fringe information automatically transfers to Tab 1.

When completing the budget template, please note the following:

- Staff should be identified by position, not name. Example: Executive Director or Director of Housing, not Mary Smith or Frank Jones.
- “Percent of time billed” refers to amount of salary charged to the grant budget as a percent of the position’s total salary (i.e. amount of salary covered by this grant divided by total salary during the grant period of performance NOT amount of salary covered by this grant divided by total grant).
- Fringe benefits charged to this program must be representative of actual costs incurred by the organization. See Tab 2 ‘Salary Worksheet’ on the Excel template or refer to page 13 under Grantee Auditing and Documentation of Expenses for additional information.
- Consultants should be identified by type, not name. Example: Housing Development Consultant, not Joe Smith.
- Approved Indirect Rate refers to the grantee’s Indirect Cost Rate Agreement rate approved by a federal government agency or may include a de minimis indirect cost rate of 10% of modified total direct costs[†].

[†] Modified Total Direct Cost means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and Subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the Subawards and subcontracts under the award).

- Proposed Match Budget should be the total amount of match that will be supporting the grantee's project or program being funded with this grant.

The budget template must be submitted in Microsoft Excel format.

The Grant Agreement

Once all information – organizational documentation (DUNS, SAM, audited financials, questionnaire, etc.), SOW, budget, and match – has been submitted, Enterprise staff will review the SOW and budget to make sure all activities and expenses are allowable. After the review, Enterprise will notify the grantee if any additional information is required.

After the SOW and budget have been finalized, Enterprise will prepare the grant agreement. Grantees should allow Enterprise up to 30 days for compliance review and final processing of the grant agreement. When the grant agreement package is ready, the grantee will receive an email with a link that contains all of the grant-related documents (agreement, disbursement/budget form, standard terms and conditions, report templates, federal provisions, FFATA if applicable, etc.) along with instructions on how to execute the agreement and request disbursement.

The grantee must return a signed copy of grant agreement and other required forms and return clear, legible scanned copies to Enterprise staff via email. Alternatively, original hard copy signatures are accepted but not preferred.

Upon receipt, Enterprise will countersign the agreement and email one fully executed original to the grantee for their records. Please note that the grant is not executed until Enterprise countersigns the agreement.

Disbursement Requests & Grant Close Out

All grants are awarded on a cost reimbursement basis; grant disbursements occur after expenses have been incurred. Each disbursement request should include a completed and signed disbursement form and an activity report on the grantee's work to date.

Additionally, Enterprise may require supporting documentation with each disbursement request. All grantees are required to retain supporting backup documentation for all requested line item expenses. Documentation should show that costs are allocable to the grant award and its objectives and that these costs are separate from costs associated with other business activities and funding sources. See [Examples of Documentation for Common Grant Expenses](#) for examples of acceptable documentation.

Below is information on the required documents that must be submitted with each disbursement request.

Disbursements Submitted throughout the Grant Period of Performance

Grantee must submit:

- A signed **Disbursement Request form** with the following sections completed:
 - **Payment Preference** (Lines 4, 6 and 8 – 13): Please select how funds will be issued - check or wire transfer. If wire transfer, please enter banking information in Lines 8 – 12. Please confirm wiring information with a Financial Officer within your organization to ensure timely disbursement of funds. As a reminder, ABA numbers are 9 digits. In addition, please check 'yes' or 'no' for the question on Line 13 that asks if the beneficiary of the listed account name is different than the grantee name.
 - **Billing and Reporting Period** (Line 17): Enter the time period that costs were incurred for this disbursement request. Please note that costs incurred must fall within the period of performance of the grant.
 - **Current Request** (Column F): Enter the exact dollar amount for each line item you are requesting reimbursement for under this disbursement request. Costs should not be rounded.
 - **Signature and date** on Lines 56 and 59.
- A completed **Activities Report** detailing work and progress during the same time period which the disbursement is requested. The period identified on the activities report should match the period listed on the disbursement form. This should be an in-depth report covering the outcomes that were achieved and how they were achieved – not just a statement that the outcomes were completed. The report should identify achievements and problems encountered and include the reasons for slippage if established objectives and goals will not be or were not met. Also indicate if the program/project is ahead of schedule, on track, or behind schedule. Please note that Enterprise staff reviews progress against the outcomes listed. See [Appendix F](#) – Sample Activities Report for additional info.

- **Back up documentation (if applicable)** to support all requested line item expenses. This is to include copies of authorized timesheets (showing an employee’s daily time, allocated to different projects or funding sources), payroll registers, cancelled checks, invoices, travel and purchase requisitions, expense reports, consultant invoices, etc. Documentation should show that costs are allocable to the grant award and its objectives, that these costs are separate from costs associated with other business activities and funding sources, and that these costs have been incurred.
- **Certification of Private Match & back up documentation (if not yet submitted):** Complete the Match Certification form and provide back-up documentation for each match source. Back up documentation may include copies of commitment letters from funders, tenant rent rolls, copies of bank statements, cancelled checks, invoices, etc. See [Appendix C](#) – Match Guidance for additional info.

Final Disbursement & Grant Close Out

Grantee must submit:

- A properly completed Disbursement Request Form;
- **Back up documentation** (if applicable) to support all requested line item expenses;
- A cumulative **Activities Report** detailing the work conducted over the course of the grant period;
- A completed **Production Tracker** addressing all of the grantee’s projects both completed and in the pipeline. Enterprise collects this information from all Section 4 grantees, regardless of use of funds, to demonstrate the broad impact that a Section 4 investment may have on a grantee organization. On-going updates of housing development progress ensures HUD can receive information regarding the completion of housing units and opportunities are identified to showcase CDC and CHDO sponsored projects. Copies must be returned in both PDF and Excel formats;
- Completed **Close Out Documentation**. Please complete and sign each page and note that questions only apply to the activities performed/supported under the grant – not the overall project. There are 4 pages included in Exhibit E.
 - *Close Out Certification* (Page 1): Please note that Program income includes, but is not limited to income from fees for services performed under this grant or the sale of items fabricated under this award. Program Income is not the grant funding that you received from Enterprise Community Partners.
 - *Property Statement* (Pages 2 – 3)
 - *Inventions, Patents & Copyrights* (Page 4)
- **Release of Claim Form:** Only complete if the full amount of the grant will not be requested.
- **Certification of Private Match & back up documentation** if not yet submitted;
- Copies of any **deliverables** created under the grant; and
- **Case Study Report.**

Please allow Enterprise 30 business days to process disbursement requests.

Repayment Information for Recoverable Grants

If this is a recoverable award, the grantee shall return the entire grant amount to Enterprise no later than the anticipated repayment date as listed on the grant agreement, unless otherwise notified by Enterprise.

Payments should reference the grant number and be sent to the mailing address below:

Enterprise Community Partners, Inc.
Attn: Grant Repayments
P.O. Box 64854
Baltimore, MD 21264-4854

Please note that failure to comply with Close Out requirements can result in recapture of funds and ineligibility for future grant funding from Enterprise.

Grant Modifications

Any changes to the grant budget, SOW or period of performance must be approved by Enterprise. Details on each are listed below.

Budget Modifications

If you anticipate a change to your grant, contact your Enterprise Grants Specialist to determine if an informal or formal grant modification will be required.

Informal Modification

Enterprise allows grantees to request changes to their grant budgets of up to 10% of the total award amount without following the formal modification process. This 'informal' budget modification must be for activities already included in the SOW, and must not generate new budget category items (i.e. salaries, consultants, travel) or increase the grant amount.

Revised total amounts for each line item should be entered on the budget/disbursement template under the Modification column (Column E). Example: If the Executive Director was originally budgeted at \$25,000 but will now be budgeted for \$22,000, enter \$22,000.

Formal Modification

If the requested change is more than 10% of the total award amount or if it generates new budget category items, the formal modification process must be followed. Revised total amounts for each line item should be entered on the budget/disbursement template under the Modification column (Column E).

During the formal modification process, Enterprise will prepare a new grant agreement that reflects the revised budget and any changes to the SOW.

In addition, any subsequent modification to the budget, regardless of the amount, must follow the formal grant modification process.

Scope of Work & Period of Performance Modifications

Changes resulting in a deviation from the approved SOW must be modified through the formal grant modification process. If changes are needed, please provide an explanation detailing the need for the requested change.

Please follow the same process for any period of performance extension requests.

Grantee Auditing & Documentation of Expenses

All grant awards are subject to random selection for review by Enterprise Community Partners' Sub-recipient Auditor. The grantee's organization must maintain a file with the fully executed grant agreement, reports, consultant contracts and back-up documentation as outlined below for expenses related to each disbursement request under the grant agreement. Should your organization be selected for audit, you will be notified in writing by Enterprise's Sub-recipient Auditor. Grantees must keep copies of all documents and expense records associated with the grant award for six (6) years after close-out.

Examples of Documentation for Common Grant Expenses

Salary: Timesheets (showing an employee's daily time, allocated to different projects or funding sources) AND either (1) or (2): (1) copy of payroll register highlighting the name(s) of each employee(s) charged to the grant and what percent of that employee's work is charged to the grant, (2) copies of canceled checks or direct deposit transmittals; and payroll tax deposit form.

Fringe benefits: Fringe benefits charged to this program must be representative of actual costs incurred by the organization. Fringe benefits may include items such as FICA, unemployment insurance, health insurance, workers' compensation, etc. and may only be included to the extent correlating salaries are also budgeted.

If fringe benefits will be charged via a percentage of salaries billed, the organization must:

- Provide a copy of a federally-approved indirect cost agreement to Enterprise OR
- If the organization does not have a federally-approved rate, they must be able to document how the rate was developed

If fringe benefits will not be charged via a percentage of salaries billed, the organization must charge and document actual costs incurred for fringe benefits.

Consultants: Consultant agreement contracts, all invoices, copies of canceled checks and documentation showing competitive selection processes. Consultant contracts must include a requirement to comply with the same federal regulations that are contained in your grant agreement with Enterprise. A template of a consultant contract is available at your request.

Pass-Through Grants: Grant agreement, disbursement records and documentation showing competitive selection processes.

Supplies: All receipts/invoices and canceled checks, petty cash vouchers or credit card bills.

Travel: All invoices, canceled checks, automobile mileage logs, used airline ticket(s) and any other documents relevant to the purpose of the trip. *(Grants funded with federal funds must follow federal per diem rates found at www.gsa.gov)*

Meals While Traveling: All receipts/invoices and canceled checks or any other method of payment including credit cards. *(Grants funded with federal funds must follow federal per diem rates found at www.gsa.gov)*

Equipment: All invoices, purchase orders, serial numbers and canceled checks. If equipment is leased, lease agreement and monthly invoices, service/maintenance contracts, price quotations and documentation showing competitive selection process. Grantees must retain titles to all property purchased with federal funding. Grantees must keep property records showing the general name of the property, identification number, original cost, acquisition date, depreciated value, and disposition data of the property. Grantees must provide insurance coverage for real property and equipment acquired with federal funds. Equipment purchased with federal funds, costing more than \$5,000 is property of the federal government and set procedures provide for its disposal. If your organization plans to dispose of equipment purchased with HUD funding, please contact your local Enterprise office for guidance on appropriate procedures.

Printing: All invoices, purchase orders and canceled checks.

Staff Training: All invoices, canceled checks and descriptions of training events including date, location and agenda.

If you have other questions regarding federal cost requirements refer to [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) or contact your Enterprise Grants Specialist.

Appendix A – Organizational Requirements

HUD Section 4 Program – Eligible Organizational Types

These Section 4 Capacity Building grant funds are limited to community development corporations (CDCs), certified community housing development organizations (CHDOs), and organizations serving Native American populations with a defined mission that includes affordable housing.

A CDC is defined as:

A nonprofit organization that has the following characteristics:

- Is organized under federal, state or local law to engage in community development activities (which may include housing and economic development activities) primarily within an identified geographic area of operation;
- Is governed by a board of directors composed of community residents, business, and civic leaders -- this includes faith based community development corporations;
- It has as its primary purpose the improvement of the physical, economic or social environment of its geographic area of operation by addressing one or more critical problems of the area, with particular attention to the needs of persons of low income;
- Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization;
- Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1);
- Has standards of financial accountability that conform to 24 CFR (Code of Federal Regulation) 84.21, Standards for Financial Management Systems;
- Is not an agency or instrumentality of a state or local government;
- For urban areas, “community” may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county or multi-county area (but not the entire state).

A CDC that does not qualify under Section (a) may also be determined to qualify as an eligible entity if:

- It is an entity organized pursuant to section 301(d) of the Small Business Investment Act of 1958 (15 U.S.C. 681(d)), including those which are profit making; or
- It is a Small Business Administration (SBA) approved Section 501 State Development Company or Section 502 Local Development Company, or a SBA Certified Section 503 Company under the Small Business Investment Act of 1958, as amended: or
- The recipient demonstrates to the satisfaction of HUD, through the provision of information regarding the organization’s charter and by-laws, that the organization is sufficiently similar in purpose, function, and scope to those entities qualifying under Section (a).
- Is a State or locally chartered organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the

organization’s governing body and no more than one-third of the board member may be public officials or employees of the State or local government entity chartering the organization. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members.

CHDO designation is granted by participating jurisdictions (PJs) in relation to the HOME Program requirements, and not by Enterprise. Additional information about CHDOs and obtaining CHDO status can be found at <https://www.hudexchange.info/home/topics/chdo/>

Organizations serving Native American populations with a defined mission that includes affordable housing must be one of the following:

- 501 (c) 3 Nonprofit Tribal Organizations
- Tribally Designated Housing Entities (TDHE)
- Tribal Housing Authority
- Federally- recognized Tribes

Appendix B – DUNS & SAM Guidance

All grantees, subcontractors, and consultants receiving federal funds through Enterprise Community Partners must now have or obtain a Dun & Bradstreet (DUNS) number and maintain an active account in the System for Award Management (SAM).

Information on how to register for each is below:

Resources for DUNS Number

The DUNS number is a nine-digit number, issued by Dun & Bradstreet that is assigned to and used by businesses and the federal government to keep track of more than 70 million businesses world-wide. A DUNS number can be obtained free of charge by applying online at <http://fedgov.dnb.com/webform> or by phone at 1-866-705-5711 from Monday - Friday 7 AM to 8 PM C.S.T.

For Hearing Impaired Customers Only call 877-807-1679 (TTY Line). It normally takes about 1- 2 business days to receive a number if applied for online and immediately if applied for by phone. The DUNS number is normally available for use 24-48 hours after it has been received. Once entered, and the registration process is completed, the DUNS number will need to be verified by the system.

Resources for System for Award Management (SAM)

The System for Award Management (SAM) is a free web site hosted by the federal government that consolidates the government-wide award reporting systems into one new system. SAM streamlines processes, eliminating the need to enter the same data multiple times, and consolidates hosting to make the process of doing business with the government more efficient. The website is found at www.sam.gov.

Information on registering can be found here:

https://www.sam.gov/sam/transcript/Quick_Guide_for_Grants_Registrations_v1.7.pdf

Additionally, please make sure that your sub-grantees or contractors that receive federal funds are aware that they must have a DUNS number and be registered in the SAM system in order to be in compliance with federal reporting requirements.

Appendix C – Match Guidance

The Section 4 program requires Enterprise to raise match from private sources for every dollar of Section 4 funds spent. Enterprise in turn requests that grantees demonstrate their ability to provide matching dollars. Match reflects private-sector dollars received by the organization that supports the same project or program being funded with this grant.

Once match has been identified, the grantee must complete a **Match Certification Form**. On the form, please list all match sources that will be used, along with the commitment amount for each. An authorized representative from the grantee organization must sign at the bottom of the template. The grantee must also provide documentation to support the identified match.

Information about acceptable and unacceptable match sources is listed below:

Acceptable Match is:

- Privately sourced (public funds are **not** eligible)
- Verifiable from the recipient's records (e.g. backed up by check copies and bank deposit statements)
- Not included as contributions for any other federally-assisted project or program.
- Connected to the efficient accomplishment of project or program objectives that is being funded by the grant.
- Used toward the accomplishment of the project or program objectives being funded and is allowable under the applicable cost principles.
- Received before the close of the grant period of performance

Examples of Acceptable Match Funds (and Potential Backup Documentation to be collected post-award):

- Donations from individuals (copies of checks).
- Foundation and corporate grants (copy of check and award letter).
- Developer fees (copies of checks to confirm the receipt of funds AND 3rd party verification such as development or partnership agreements that clearly name the investor or equity contributor).
- Line of credit, to the extent funds have been drawn (copy of loan agreement AND bank statement or wire receipts).
- Other operational revenues as they relate to your proposal scope of work, such as tenant rents (e.g. rent rolls that differentiate tenant portion and subsidy).
- Loans, equity, or developer fees from projects that are not directly-financed by any of the three Section 4 intermediaries (Enterprise, LISC, Habitat), and only to the extent privately sourced (construction loan agreement OR tax equity syndication letter, AND bank statement or wire receipts).

Note: Additional documentation may be required above and beyond what has been described above, as is necessary to demonstrate to the satisfaction of Enterprise and HUD that match

sources are private and relate to workplan activities. Each grantee's market representative will help to ensure all necessary documentation is collected.

Examples of Unacceptable Match Funds

- Sources that have been used as match for other grants/loans, including prior grants/loans from Enterprise, LISC, or Habitat.
- Public sources, even if non-federal (such as funds from cities, states, or housing authorities).
- Grants, loans, equity investments, or developer fees associated with projects that are directly funded by Enterprise, including Enterprise Community Investment syndication of tax credits or grants or loans from Enterprise Community Loan Fund, LISC (NEF, NMSC) and Habitat.

Match Collection

Enterprise seeks to collect match along with the other documents required for grant agreement execution. In some cases, match can be collected at a later date so please contact your Enterprise representative for more information. All match must be received prior to issuing the final disbursement and closing out a grant agreement.

Appendix D – Consultant Guidance

Enterprise, as a recipient of Section 4 funds, is required to pass down certain federal requirements and restrictions to the consultants our grantees choose to work with.

Selection

It is our expectation that consultants will be selected via an open, competitive process. We understand that in very rare circumstances an RFP may not be feasible and in those situations, consultants may be selected in a non-competitive sole source process. In those instances, the grantee is obligated to document their reasoning for not issuing an RFP and explain why the selected consultant was the best suited for this work.

Narrative and Budget

Organizations proposing to hire a consultant with a portion of their Section 4 grant must ensure that their proposal application provides specific details about the activities the consultant will conduct and why their consultant services are vital to the program's success. Also, the program budget submitted must clearly show the amount of labor and expenses the consultant is expected to accrue.

Additionally, Enterprise is required to ensure expenses paid utilizing HUD's funds are not only fair and reasonable but also eligible expenses per federal regulations. Thus, Enterprise requires a breakdown of all proposed labor amounts to include direct (actual) hourly rates and indirect costs (if applicable). Consultants must charge rates that are consistent with rates charged on their other contracts/agreements. If a consultant proposes to include indirect costs (IDC), the proposal must be accompanied by an Indirect Cost Rate Agreement approved by a federal government agency or may include a de minimis indirect cost rate of 10% of Modified Total Direct Costs (MTDC).

MTDC means all salaries and wages, applicable fringe benefits, materials and supplies, services, travel and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the Subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward or subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Guidance on Labor Rate breakdown for Consultants

A large organization or an organization that receives large amounts of federal funds will generally have a federal government approved negotiated IDC rate agreement from one federal agency (usually the federal agency or department from which the organization receives the most funding - its cognizant federal agency). This will be accepted by all federal agencies and by organizations like Enterprise that pass through federal funds. Smaller organizations or individual consultants

may not have an approved indirect cost rate may elect to charge a de minimis rate of 10% of modified total direct costs[‡].

Confirmation of DUNS # and SAM Registration for Consultants

As noted above under [Administrative Requirements](#), all grantees, subcontractors and consultants receiving federal funds through Enterprise Community Partners must have or obtain a Dun & Bradstreet (DUNS) number and maintain an active account in the System for Award Management (SAM).

Selected consultants must provide the grantee with their DUNS # and confirmation of a current account in SAM.

Federal Provisions Contract Addendum

Any contracts that the grantee enters into, that will be paid (in whole or in part) for by this grant, must include the same federal provisions that are included in the original grant agreement. An example of a contract addendum, with the federal provisions, is available upon request. Please contact your Enterprise Grants Specialist for an example. You may use this document in its entirety or incorporate the federal flow down provisions in your own format. **The federal flow down provisions must be provided to, signed and returned to your organization by the consultant that has been selected.**

[‡] Modified Total Direct Cost means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and Subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the Subawards and subcontracts under the award).

Appendix E – Applicable Federal Regulations

Grantees receiving Section 4 funds should understand the federal regulations that govern the use of the program funds.

2 CFR 200

The Section 4 program is governed by 2 CFR Part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Environmental Regulations

In 1969, the federal government enacted the National Environmental Policy Act (NEPA) as the basic national charter for the protection of the environment. In turn, HUD applied the goals and policies of NEPA to its own set of agency-specific regulations that are set forth in **24 CFR Part 50: Protection and Enhancement of Environmental Quality**. The environmental standards help to ensure that a proposed activity will not negatively affect the environment or that the environment will not negatively affect a proposed project.

The environmental effects of each activity carried out with HUD funds must be assessed in accordance with NEPA and related authorities listed in HUD’s implementing regulations in 24 CFR Part 50. An activity can fall into three environmental categories:

Exempt (Categorical exclusions not subject to the Federal laws and authorities cited in 24 CFR 50.4) – As a general rule, exempt activities do not alter physical conditions and have no effect on human beings or the physical environment. Following are examples of activities that are exempt from the environmental review process under 24 CFR Part 50:

- Administrative Costs
- Loan Payments
- Project Planning/Development
- Feasibility Studies
- Environmental Studies
- Interim Assistance
- Project Engineering & Design
- Consulting Services

If Section 4 funds activities considered “Exempt,” no environmental review is required.

Categorically Exempt (Categorical exclusions subject to the federal laws and 24 CFR 50.4) – These activities involve changes to the physical environment, but will not receive further environmental scrutiny. **Only HUD can determine if a project is categorically excluded.** The following activities are considered categorically excluded from further environmental review per 24 CFR Part 50:

- Acquisition or disposition of an existing structure
- Barrier-free renovation projects, such as making structural renovations to meet ADA regulations
- Mortgage prepayments or plans of action, including incentives

- A one-to-four unit project or a project with more than four units on a scattered site basis if none of the proposed sites are closer than 2,000 feet to each other
- Rehabilitation of structures when the following conditions are met:
 - Unit density is not changed by more than 20 percent
 - There are no changes in land use from residential to non-residential or from non-residential to residential
 - The estimated cost of rehabilitation is less than 75 percent of the total cost of replacement after rehabilitation

Environmental Assessment (EA) Required – If a proposed activity does not meet the criteria to be considered exempt or categorically exempt from further environmental review, an environmental assessment (EA) must be completed.

*For activities that are **not** exempt, Enterprise will not commit grant funds to an organization until the required documentation of HUD approval under Part 50 (HUD Form 4128) has been provided.*

Davis Bacon Act

The Davis-Bacon Act requires the payment of no less than the wages that prevail in the locality to all construction laborers and mechanics employed on the covered project. In this way, the local economy is supported and local contractors are ensured a level playing field in competitive bidding.

This is applicable to all federal government construction contracts and most contracts for federally-assisted construction over \$2,000 and must include provisions for paying workers on-site, no less than the local prevailing wages and benefits paid on similar projects.

Davis Bacon does not apply if federal funds are used solely for non-construction costs. Non-construction costs may include real property acquisition; architectural/engineering fees; legal or accounting services; and real estate taxes.

Davis Bacon would not be triggered if a grantee or borrower uses only private funds for rehabilitation or construction.

Information on the Davis-Bacon Act and how to apply it can be found on the following website:

<http://portal.hud.gov/hudportal/documents/huddoc?id=4812-LRguide.pdf>

Uniform Relocation Assistance and Real Property Acquisition Act (URA)

URA is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property or displaces persons from their homes, businesses or farms. URA's protections and assistance apply to the acquisition, rehabilitation or demolition of real property for federal or federally funded projects.

The objectives are as follows:

- To encourage and expedite acquisition by agreement, without coercion.
- Uniform, fair and equitable treatment.
- To lessen the impact of displacement.
- To ensure decent, safe and sanitary housing is available and affordable for displaced persons.

Federal funding of a project, and sometimes local requirements, trigger the URA. Preliminary work, such as market studies, does not trigger the URA. The URA is applicable at the point when:

- Site is found to be suitable
- Project is named for purchase
- Project is deemed viable and application for funding is made.

Documentation requested by Enterprise as evidence of compliance may include:

- Copy of the general notice to tenants with date of notice and date application for funding is made;
- Copy of Notice of Eligibility for Relocation Assistance;
- Copy of 90 Day Notice to Tenants;
- Relocation Plan and Proof of Adoption, if available; and
- Proof of Relocation Advisory Services to Tenants (e.g. contract)

Additional information on the URA can be found at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/

Section 3

Section 3 is a provision of the Housing and Urban Development Act of 1968, and is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons, preference must be given to low- and very low-income persons or business concerns residing in the community where the project is located.

Section 3 requirements may be triggered if federal funds are used for rehabilitation and construction costs of a project.

Additional guidance can be found on the following websites:

<http://www.hud.gov/offices/fheo/section3/FAQ08.pdf>

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3

Copeland Anti-Kick Back Act

The Copeland Act is administered by the Wage and Hour Division (WHD). The "Anti-Kickback" section of the Copeland Act applies to all contractors and subcontractors performing on any federally funded or assisted contract for the construction, completion or repair of any public building or public work, except contracts for which the only federal assistance is a loan guarantee. This provision applies even where no labor standards statute covers the contract.

The regulations pertaining to Copeland Act payroll deductions and submittal of the weekly statement of compliance apply only to contractors and subcontractors performing on federally funded contracts in excess of \$2,000 and federally assisted contracts in excess of \$2,000 that are subject to federal wage standards.

The "Anti-Kickback" section of the Act precludes a contractor or subcontractor from in any way inducing an employee to give up any part of the compensation to which he or she is entitled under his or her contract of employment. The Act and implementing regulations require a contractor and subcontractor to submit a weekly statement of the wages paid to each employee performing on covered work during the preceding payroll period. The regulations also list payroll deductions that are permissible without the approval of the Secretary of Labor and those deductions that require consent of the Secretary of Labor.

Appendix F – Questionnaire for Subrecipients of Federal Funding

As part of the RFP process, applicants are required to submit a completed Sub-recipient Questionnaire and provide supporting documentation. This request is based on federal requirements contained in 2 CFR 200 which requires Enterprise to review and evaluate the risk associated with potential grantees prior to making awards.

Organization Name: [Click here to enter text.](#)
Address: [Click here to enter text.](#)
Contact Person: [Click here to enter text.](#)
Title: [Click here to enter text.](#)
Phone Number: [Click here to enter text.](#)
E-mail Address: [Click here to enter text.](#)
Date: (mm/dd/yy)
Federal Funding for which you have applied: [Click here to enter text.](#)

General Information about your Organization

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Is your organization newly-formed (within the past two years)? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Have you had substantial staff turnover or a significant internal reorganization within the past year?
If YES, please explain: Click here to enter text. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Have you installed new financial software or systems within the past two years?
If YES, please indicate what financial systems you installed:
Click here to enter text. | <input type="checkbox"/> | <input type="checkbox"/> |

Please respond to the following questions to help Enterprise assess your organization’s:

- **Previous experiences with federal funding**
- **Policies, procedures and internal controls**
- **Ability to document grant expenditures and to assign those expenditures to specific funding sources**

Previous Federal Funding

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. Have you received funding from this federal program before?
If YES, when? Click here to enter text. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Within the past two years, have you received any federal funding directly from a Federal agency? Or have you received funding from a state or local government?
If YES, please explain: Click here to enter text. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Has a pass-through entity (Enterprise or another organization) notified you that you had any compliance problems?
If YES, please explain: Click here to enter text. | <input type="checkbox"/> | <input type="checkbox"/> |

Policies and Procedures

	Yes	No
--	------------	-----------

- | | | |
|---|--------------------------|--------------------------|
| 1. Do you have written financial management and accounting procedures?
If YES, do they cover all accounting functions?
(i.e., Accounts Payable, Billing and Accounts Receivable, Payroll, General Ledger, Signing/Approval Authority, Cost Allocation Plan)
Please submit a copy of the procedures or a write-up that covers these functions. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you have written procurement and contracting policies? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you have written personnel policies and procedures? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Do you have measures in place to safeguard private or confidential information (e.g., Social Security numbers, health information, financial data)? | <input type="checkbox"/> | <input type="checkbox"/> |

Please provide copies of the procedures or documentation in 2., 3., and 4. above.

Comments: [Click here to enter text.](#)

Internal Controls

- | | Yes | No |
|---|--|--|
| 1. Salaries and Wages | | |
| a. Do you use signed timesheets or personnel activity reports to support charges for all hours worked?
• If YES, please provide a copy. | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are they signed by the employee?
Are they signed by the supervisor? | <input type="checkbox"/>
<input type="checkbox"/> | <input type="checkbox"/>
<input type="checkbox"/> |
| c. Do the timesheets or activity reports allocate an employee’s time based on source of funding? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Can the hours charged be traced to payroll registers, issued and cancelled payroll checks/direct deposits and bank statements?
Comments: Click here to enter text. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Fringe Benefits | Yes | No |
| a. Do you use a percentage rate to charge fringe benefits to projects or funding sources?
If YES, is the rate applied to salaries and wages?
If YES, does the rate include all fringe benefit costs consistent with established benefit programs?
If NO, how do you calculate fringe benefits applied to projects/funding sources? Click here to enter text. | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 3. Consultants and Contractors | Yes | No |
| a. Do you support expenses for professional, consulting, and contracted services with executed contractual agreements?
If YES, please provide a copy of a consultant or contractor agreement. | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Do you only pay consultants and contractors based on approved invoices, receipts or agreements? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Can payments be traced to payment registers and disbursement/credit card statements? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Do you document specific allocation/coding to a funding source? | <input type="checkbox"/> | <input type="checkbox"/> |

4. Travel	Yes	No
a. Do you use an expense report or other method of itemized invoices and receipts or travel authorization forms to support travel expenses? If YES, provide a copy of an expense report.	<input type="checkbox"/>	<input type="checkbox"/>
b. Do the supporting documents include the purpose for travel in writing?	<input type="checkbox"/>	<input type="checkbox"/>
c. Can payments be traced to payment registers and disbursement/credit card statements?	<input type="checkbox"/>	<input type="checkbox"/>
d. Do you document a specific allocation/coding to a funding source?	<input type="checkbox"/>	<input type="checkbox"/>
5. Training and Professional Development	Yes	No
a. Do you have written policies for training and professional development? If YES, provide a copy.	<input type="checkbox"/>	<input type="checkbox"/>
b. Do you pay for training and professional development based on invoices or receipts?	<input type="checkbox"/>	<input type="checkbox"/>
c. Can payments be traced to payment registers and disbursement/credit card statements?	<input type="checkbox"/>	<input type="checkbox"/>
d. Do you document specific allocation/coding to a funding source?	<input type="checkbox"/>	<input type="checkbox"/>
6. Other Direct Costs		
Do you maintain documentation for the following types of expenses?	Yes	No
a. Reproduction	<input type="checkbox"/>	<input type="checkbox"/>
b. Supplies and Materials	<input type="checkbox"/>	<input type="checkbox"/>
c. Occupancy and Space	<input type="checkbox"/>	<input type="checkbox"/>
d. Office Equipment	<input type="checkbox"/>	<input type="checkbox"/>
e. Communication and Postage	<input type="checkbox"/>	<input type="checkbox"/>
f. Other Expenses	<input type="checkbox"/>	<input type="checkbox"/>
7. Indirect Cost Rates	Yes	No
a. Do you have a Federally Approved Indirect Cost Rate Letter? If YES, provide a copy. If NO, you may elect to charge a flat rate of 10% of modified total direct costs.	<input type="checkbox"/>	<input type="checkbox"/>

Financial Statements and Single Audit Reports

Please send an electronic copy of the organization’s most recent financial statements and Single Audit (if required). A Single Audit is only applicable to an applicant organization that has expended over \$750,000 of Federal Funds during its previous or current fiscal year.

Date of Financial Statements (mm/dd/yyyy): [Click here to enter text.](#)

	Yes	No
1. Were the financial statements audited?	<input type="checkbox"/>	<input type="checkbox"/>
If YES, were there any audit findings?	<input type="checkbox"/>	<input type="checkbox"/>
If there were audit findings, was a corrective action plan developed? Send a copy.	<input type="checkbox"/>	<input type="checkbox"/>
2. Was the organization required to have a Single Audit? If YES, provide a copy of your Single Audit Report.	<input type="checkbox"/>	<input type="checkbox"/>

Based on the Single Audit Report:

- (a) Were any material weaknesses identified?
- (b) Were any reportable conditions identified?
- (c) Were any instances of non-compliance disclosed?
- (d) Were any questioned costs identified?

If you did NOT have a Single Audit, provide documentation of previous year's Federal Expenditures.

- 3. If any responses to (a), (b), (c) or (d) are YES, has the organization developed a corrective action plan for the Single Audit?
Send an electronic copy of the plan.

CERTIFICATION:

By signing this questionnaire, I certify the following:

The information provided in this *Questionnaire for Sub recipients of Federal Funding* is true and correct to the best of my knowledge.

I am an authorized representative of the organization.

Signature: _____

Printed Name: [Click here to enter text.](#)

Title: [Click here to enter text.](#)

Organization: [Click here to enter text.](#)

Useful terms and definitions:

Accounting controls: methods and procedures for the authorization of transactions, safeguarding of assets, and accuracy of accounting records.

Administrative controls: plan of organization and all methods and procedures that help management plan and control operations.

Allocations: subdivisions of a funding source into more detailed categories, such as a cost center or programs.

Audit: examination of the financial records of the organization to evaluate the internal control system, to determine if financial statements have been prepared in accordance with generally accepted accounting principles, and to discover potential material errors.

Audited financial statements: financial statements that have been examined by a Certified Public Accountant (CPA) who issues an opinion letter, called the auditor's report.

Audit trail: a set of references that allow an individual to trace back through accounting documents to the source of any number.

Cost center: unit or department in an organization for which a manager is assigned responsibility for costs.

Direct costs: a) costs incurred within the organizational unit for which the manager has responsibility; b) costs of resources used for direct provision of goods or services.

Direct expenses: those expenses which can be specifically and exclusively related to the activity within the cost center.

Expense: the cost of services provided; expired cost.

Financial accounting: system that records historical financial information, summarizes it, and provides reports of what financial events have occurred and of what the financial impact of those events has been.

Financial management: the subset of management which focuses on generating financial information that can be used to improve decision-making.

Financial statements: reports that convey information about the organization's financial position and the results of its activities.

Fringe benefits: employee benefits, compensation provided to employees in addition to their base salary. Examples are health insurance, life insurance, vacation, or holidays.

Indirect costs: a) costs assigned to an organizational unit from elsewhere in the organization; b) costs within a unit that are not incurred for direct provision of goods or services.

Internal control: a system of accounting checks and balances designed to minimize both clerical errors and the possibility of fraud or embezzlement; the process and systems that ensure that decisions made in the organization are appropriate and receive appropriate authorization.

Modified Total Direct Cost: all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward and subcontract.

Payment register: a permanent journal that records financial transactions.

Checklist

Following are the documents or other materials that a sub recipient should submit with the **Questionnaire for Sub recipients of Federal Funding**.

- Financial management and accounting procedures (or a write-up covering the major functions)
- Procurement and contracting policies and procedures
- Personnel policies and procedures
- Procedures to safeguard confidential information
- Copy of a timesheet or personnel activity report
- Copy of a consultant or contractor agreement
- Copy of an expense report
- Training and professional development procedures
- Copy of federally approved indirect cost rate letter
- Copy of most recent audited financial statements
- Copy of sub recipient's corrective action plan for audit findings (if required)
- Copy of most recent Single Audit (if required)
- Copy of previous year's Federal Expenditures (if Single Audit is not required)
- Copy of sub recipient's corrective action plan for Single Audit (if required)

Appendix G – Sample Activities Report



Attachment C Activities Report Narrative for all Disbursement Requests

Instructions: Complete all fields and questions as listed below.

Organization: *Great Grantee Group*

Date: *4/1/16*

Contact Person: *Judy Grantee*

Telephone: *303-376-5406*

Email: judy@grantee.org

Grant #: *09SG142*

Report Period: From: January 1, 2016

To: March 31, 2016

1. Provide a brief narrative of the activities conducted during the report period. Activities must be related to the proposed goals and outcomes listed in the grant scope of work and should reference the costs included in the disbursement request.

*Prepare and submit funding applications to the Homeless Housing Assistance Program (HHAP) capital grant; to HUD for a Supportive Housing Program grant; and to HPD for 9% tax credits
Develop schematic architectural plans for the project*

Refine the social service program and begin discussions with possible social service providers

2. For all disbursement requests, please list each outcome as it appears on your grant scope of work and report on the progress made to date. Be sure to be thorough in describing each activity covered by this request, including actual or anticipated completion dates for activities. An example is below:

During this report period, Great Grantee Group could point to progress on the following outcomes under this year's workplan.

Outcome 1: Prepare and submit funding applications to the Homeless Housing Assistance Program (HHAP) capital grant; to HUD for a Supportive Housing Program grant; and to HPD for 9% tax credits.

Great Grantee Group prepared three (3) funding proposals during this grant period: (1) an application for HHAP funding from Denver Western Region State, (2) a pre-application and final application for a Supportive Housing Program grant from HUD, (3) an application to HPD for a Supportive Housing Loan Initiation

A HHAP proposal was submitted at the end of March. We received a site visit from HHAP representatives in March 2014. A funding decision is still pending. We also submitted a pre-application for SHP funding from HUD in January 2014. Only two new projects were ranked by Denver Western Region City this year due to the small amount of new funding available. Enterprise's application was not one of the two. We decided, however, to complete the full HUD application and submitted it directly to HUD in March 2014. Award announcements will be made later in the year.

Great Grantee Group submitted an application to HPD's Supportive Housing Loan Program in the spring. Although we did not receive funding directly from HPD, we were able—with HPD's support—to obtain a capital funding commitment of \$800,000 from the Denver Western Region City Council for the project.

Great Grantee Group did not prepare a proposal for Denver Western Region City low income housing tax credits in Spring 2016 based on the advice of HPD. In order to be competitive, a project must have a firm contractor price and be within 6 to 9 months of construction start. The consensus was that it would have been premature to submit a tax credit application in 2013. Enterprise will submit applications to both the State and the City in Spring 2016.

*Finally, Great Grantee Group also applied and was approved for a **\$50,000 Project Initiation Loan** from the Corporation for Supportive Housing late in January 2016. This no-interest recoverable loan will be used to pay the architect for the Fab Housing project.*

Outcome 2: Develop schematic architectural plans for the project.

Great Grantee Group worked with Sally Doe of Doe, Ah, Deer to develop initial plans for the project. She prepared a zoning analysis of the site and determined that a 38-unit 9-story building could be constructed on the site. Initial layouts for the project were completed in first quarter 2014.

Because we intend to incorporate green building elements into the project, we have also been investigating potential funding sources. We have received some pro bono assistance from the firm of Black & Tan and are currently interviewing green building consultants who can work with the development team to incorporate cost-effective and appropriate equipment, materials and construction technology into the project.

Outcome 3: Develop social service program and begin discussions with possible social service providers.

Great Grantee Group has developed an initial social service program for the project featuring a full-time on-site case manager (or Housing Support Coordinator) and a part-time recreational specialist. We have also executed linkage agreements with several local and citywide providers willing to provide services to future resident of the project—e.g., ABC Corporation, XYZ Services and 123 CBO.

3. If you pass through funds to other organizations, please list the organizations, and describe all capacity building activities related to those grants.

Great Grantee Group did not pass funds to any other organizations. N/A.

4. List the name of any trainings you held during this period, along with the date and number of attendees.

We held the XYZ training in Denver, CO on February 22, 2016. 22 affordable housing CDCs attended this best practice exchange.

5. For all disbursement requests, highlight any significant program achievements and/or challenges you would like us to know about. For example any goals that result in better than expected outcomes or challenges impacting your progress and explain how you addressed these challenges.

Great Grantee Group obtained letters of support for the Fab Housing project from the Denver Western Region City Department of Homeless Services, the Human Resources Administration, the Mom and Pop Family Center, City Council Member Bill Clinton, State Assembly Member Erasmus P. Diaz and State Senator Huey Long. We have also received letters of support from many domestic violence shelter and service providers.

Great Grantee Group has also prepared preliminary development and operating budgets for the project. During this grant period we received a commitment letter from Enterprise Community Investment agreeing to purchase any low income housing tax credits awarded to Great Grantee Group.

6. Describe how this grant contributed towards achieving the organizational capacity building goal throughout the grant period.

The grant we received was invaluable in our meeting the goal of starting an Asset Management Department. The grant allowed us to hire an Asset Management Director who had knowledge of our portfolio and a strong background in rehabilitating aging properties. It has allowed our organization a deeper understanding of the issues our portfolio faces as buildings and systems age. Soon we will be capitalizing on our ability to anticipate building needs rather than reacting to issues as they arise.

Grant funds enabled grantee to complete the due diligence necessary to move project development forward and jump start our supportive housing program. This project, our first supportive housing project since 1991, served as a pilot for a new development model. Upon demonstrating success with this project, we have begun an additional project in fulfillment of our expanded supportive housing development capabilities.

Salary funds available from our \$40,000 grant enabled our senior developer to devote more time to complex development tasks on which she would not otherwise have been able to focus. As a result of this, our senior developer has gained greater experience in many aspects of complex development issues and will reduce our need to seek outside counsel in future projects.

