

RICHLAND COUNTY

COMMUNITY DEVELOPMENT BLOCK GRANT  
POLICIES AND PROCEDURES

For

*Public Service, Public Facilities, and Infrastructure Projects*



RICHLAND COUNTY  
GRANTS DEPARTMENT  
COMMUNITY DEVELOPMENT DIVISION

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## INTRODUCTION

The Community Development Block Grant (CDBG) program provides federal funding for local community development, which is regulated by the U.S. Department of Housing and Urban Development (HUD). Richland County administers CDBG funds locally in accordance with HUD national objectives, principally to benefit low- and moderate-income (LMI) individuals. Authorized under the Housing and Community Development Act of 1974, the CDBG program follows regulations outlined in 24 CFR Part 570. Richland County distributes CDBG funds for Public Service, Public Facilities, and Infrastructure improvements through an annual Notice of Funding Availability (NOFA) application process. The County has designated remaining CDBG funds to Community Development Planning and Administration, Housing Revitalization efforts through Operation One Touch, Special Economic Development Activities, and Non-Public Service Activities for County-run projects identified in the 2022-2026 Consolidated Plan.

All funded projects must directly impact Low-to-moderate income residents in areas of unincorporated Richland County which excludes the City of Columbia and other incorporated municipalities.

This manual provides guidance on requirements and procedures for proper administration of CDBG funding for Subrecipients receiving awards from Richland County. The purpose of these guidelines is to establish policies and procedures for programs funded by Richland County's Community Development Block Grant (CDBG). They outline proper administration for CDBG-funded services, though cannot address every potential situation.

Richland County's Community Development staff is available to answer any requests for clarification, additional information, or guidance. If new policies or procedures are implemented during the contract period, timely notifications will be provided via email. The guidelines summarize key elements for operating CDBG programs to maintain compliance and effective delivery. While not fully comprehensive, they provide the essential framework. Ongoing support is available from the County's Community Development team.

The main goal of the CDBG Public Services, Public Facilities, and Infrastructure programs is to fund projects that align with local CDBG priorities and federal/local Consolidated Plan goals. These guidelines provide an overview of key aspects of the program but do not cover every policy and procedure.

Grantees may request additional details from the County as needed to assist with determining project eligibility and regulatory compliance.

**Richland County has the right to update these Policies and Procedures as needed throughout the year. The most recent version will be sent to all current subrecipients and applicants, and will be available for download on the Community Development website:**

<http://richlandcountysc.gov/Government/Departments/Community-Development>

## BACKGROUND

As a Community Development Block Grant (CDBG) Entitlement Community, Richland County receives an annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). The grant amount is determined by the higher of two (2) formulas:

- Data based on overcrowded housing, population and poverty, OR
- Data based on age of housing, population growth lag and poverty.

CDBG Program is funded and regulated at the federal level by HUD and administered locally by the Richland County Community Development Division of the Grants Department. The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974. The regulations implementing the CDBG Program are located in the 24 CFR, Part 570.

The County's objectives for this program are in accordance with HUD's National Objectives, which seeks the development of a viable community through the implementation of the following Objectives, principally for the benefit of low-and moderate-income (LMI) persons:

- **Benefiting Low and Moderate Income (LMI) Persons**
  - o LMI – Individual Benefit
  - o LMA – Area Benefit
  - o LMC – Limited Clientele Benefit
  - o LMH – Housing Benefit
  - o LMJ – Creates or Retains Job Benefit
- **Addressing Slum or Blight; or**
- **Meeting a Particular Urgent Community Need**

In addition, the Richland County identified Priority Needs are as follow:

- Priority Need 1: Improving and enhancing public facilities such as parks, trails, libraries, and recreational spaces. This includes accessibility upgrades.
- Priority Need 2: Rehabilitating and improving infrastructure like streets, sidewalks, bridges, storm water systems, and utilities (Broadband/internet access improvements)
- Priority Need 3: Accessibility Improvements: Enhancing accessibility and removing barriers for disabled persons in public spaces and buildings.
- Priority Need 4: Funding food and nutritional services for low-income, unemployed, and homeless populations
- Priority Need 5: Supporting programs and services for youth, elderly, disabled, and general LMI households.
- Priority Need 6: Removing dilapidated and unsafe structures through demolition and code enforcement.

Richland County invites applications from qualified entities to apply for funding for projects and activities that are consistent with locally developed CDBG Program Priorities and to address the federal/local Consolidated Plan objectives.

## SUBRECIPIENT AND PROGRAM REQUIREMENTS

The main goal of the CDBG program is to develop sustainable communities for low- and moderate-income (LMI) individuals by improving housing, quality of life, and economic conditions. HUD defines LMI as those earning less than 80% of the area median income.

Activities funded under the County's CDBG program must:

1. Benefit to low- and moderate- income (LMI) persons.
  - LMA: An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.
  - LMC: Activities in this category provide benefits to a specific group of persons rather than everyone in an area. Beneficiaries must be identified as LMI residents.
2. Aid in the prevention or elimination of slums or blight;
3. Meet a need having a particular urgency (referred to as urgent need).

**Eligible Service Area:** The CDBG funds can only support projects directly benefiting low- to moderate-income residents in incorporated Richland County.

At this time, ineligible areas that may receive State CDBG funding include:

- City of Columbia
- Incorporated Town of Arcadia Lakes
- Incorporated Town of Irmo
- Incorporated Town of Eastover

Applicants should ensure their proposed service area falls within eligible census tracts and benefits qualified LMI populations. **Richland County has a dedicated website to assist residents with identifying the county and municipal lines. Visit: <https://www.richlandcountysc.gov/Government/Departments/Licensing-Registration/Business-Service-Center/Business-Locations> for details on this service.**

The County can provide guidance on verifying project location eligibility.

### **Eligible Subrecipients:**

- i. Richland County Departments
- ii. Private and Public 501 (c)(3) Non-Profit Organizations
- iii. A member of the Richland County Neighborhood Improvement Program (NIP)
- iv. Faith-Based Organizations - In accordance with the U. S. Department of HUD Rule on Faith-Based Organizations (Faith-Based Initiative), September 30, 2003 (24 CFR Part 92 et al):
  - a. Faith-Based organizations are able to compete for federal grants for social service programs without having to completely separate their religious tone and mission from the services that:
    - i. Reduce poverty
    - ii. Improve opportunities for low-income children/youth/families.
    - iii. Revitalize low-income communities
    - iv. Empower low-income families and individuals to become self-sufficient
    - v. Help people who are in need.

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b. Faith-based organizations are eligible to receive HUD funding on an equal footing with any other organization. Federal funds are not used to

support inherently religious activities such as worship, religious instruction, or proselytization. Faith-based organizations are no longer required to form a separate, secular organization 501 (c) (3) to receive funds as was previously required.

- c. Faith-based organizations may receive HUD funds to acquire, rehabilitate, or repair buildings and other real property, as long as the funds only pay the percentage of the total cost attributable to the HUD activities. However, HUD funds may not be used to acquire or improve sanctuaries, chapels, and other rooms that a congregation uses as its principal place of worship.

**Public Service Priorities:** youth programs, services for persons with disabilities, senior services, job training, housing counseling, homeless prevention programs meeting the following criteria:

- A minimum request of \$50,000 is required for Public Service proposals.
- CDBG funds will only be used to support new or expanded public services to residents of unincorporated Richland County. For existing services, applicants must demonstrate a quantifiable increase in the level of service provided.
- Due to HUD Timeliness requirements, the Community Development team will prioritize organizations and projects with the capacity and structure to easily expend funds efficiently each year.
- Allowable Costs: CDBG funds are restricted to funding direct program implementation costs that are necessary, reasonable and related to the grant.

**Public Facility and Infrastructure Priorities:** Improvements to Neighborhood and Recreation Facilities, Street and Sidewalk Improvements in CDBG Target areas, Sewer and Infrastructure Improvements in CDBG Target Areas, Removal of Architectural Barriers, Slum and Blight Removal.

**Match Requirements:** A 25% match is required for all CDBG funded projects. In-kind services are not considered as matching funds.

**Expending Funds:** CDBG Awards are disbursed as reimbursements. Community Development is seeking projects that can easily expend funds by September 1, 2024, although infrastructure projects that require 12+ months will still be considered. Final awards may be revised based upon annual funding from the U.S. Department of Housing and Urban Development.

**Allowable and Disallowable Expenditures:** *See below section on Fiscal Management for details and guidelines.*

**Subrecipient Orientation:** Two **mandatory** training workshops will be held for subrecipients- one after the NOFA release and another after select organizations are invited to complete full applications. Each subrecipient must send at least two representatives such as the program specialist, fiscal officer, and/or board member. These workshops educate subrecipients on essential CDBG rules and requirements. They also establish clear expectations regarding performance, policies, procedures, and online documentation. Attendance enables subrecipients to fully understand program obligations.

Additional mandatory trainings may take place throughout the program year if deemed necessary by the Richland County or HUD. Topics may include grant administration, Neighborly Software and reimbursement requests, records retention, and grant closeout procedures.

**Neighborly:** Richland County utilizes the Neighborly online platform for Public Service subrecipients to submit required documentation like quarterly reports, reimbursement requests, and other correspondence. The Neighborly participant portal for Richland County can be accessed at:

<https://portal.neighborlysoftware.com/RICHLANDCOUNTYSC/Participant>

All subrecipients will be set up with a Neighborly account upon final selection. Please ensure your organization utilizes this system for ongoing communication and submission of items like performance reports, invoices, and other documentation required under the CDBG contract.

Reach out to the County CDBG representatives if you need any assistance with the Neighborly platform. Using this centralized system enables effective tracking and compliance.

## PROPOSAL EVALUATIONS AND SELECTION PROCESS

The Richland County Community Development Division distributes CDBG funds through a competitive grant application process. **Local non-profits, religious organizations, and County Departments are invited to submit project proposals for Public Services, Public Facilities, and Public Infrastructure.** Full details regarding the PY 2023-2024 funds are included in the CDBG 23-24 Pre-Application Guidelines available at:

<http://richlandcountysc.gov/CDBG-NOFA>

**General Selection Process:** The Division utilizes a pre-application period as part of the selection process. Proposals are reviewed and evaluated based on alignment with priorities in each year's Annual Action Plan guided by the 2022-2026 Five-Year Consolidated Plan. Community Development staff reviews each submitted application for completeness and for basic CDBG program eligibility. Projects selected to submit for a full application will be evaluated and ranked by a CDBG Committee Review Panel. Community Development funding recommendations will be forwarded through the County Administrator to the County Council. Upon approval, applicants will be notified of awards.

As applicant and grantee of the Community Development Block Grant funds, programs and services operated by Richland County have the highest priority in the Public Service funding pool and will be funded according to program needs and in conformance with HUD eligibility requirements and national objective requirements. Allocations to non-profit organizations are an additional benefit to the community when the funds are available in the total CDBG budget.

## SUBRECIPIENT ORGANIZATIONAL STANDARDS

### Required Documentation for Subrecipients that are not County Departments:

- A. Agency Certification
- B. Articles of Incorporation and By-Laws
- C. Blank Client Intake form with signature block for intake staff/supervisor
- D. List of Current Board Members: Board Members Names, Contact Information, and Term Expiration Date
- E. Federal Tax Exemption Letter
- F. Form 990
- G. Insurance: General Liability, Automobile and Workers Compensation
- H. Evidence of Secured 25% Match
- I. Map of Service Area
- J. Most Recent Audited Financial Statements
- K. Organizational Chart
- L. Resumes of Project Team
- M. W-9

### Required Responsibilities

- Report any changes to articles of incorporation, bylaws, or tax status to the County via Neighborly within 30 days.
- Notify the County of key staff changes like new Director or financial/program personnel via email within 30 days.
- Ensure no Board member is a paid employee, agent, or subcontractor.
- Hold open Board meetings except when discussing personnel or litigation.
- Keep minutes of all Board meetings, have at least one annual meeting, and provide copies upon request.
- Obtain and maintain minimum required insurance coverage.

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permits, licenses, and comply with all applicable federal, state and local regulations.

● Acquire necessary



**Contract**

A written contract between Richland County and the subrecipient must be executed before release of any CDBG funds. This contract is essential for CDBG compliance and may only be modified through written County authorization. The contract remains in effect throughout the duration of operating or implementing a CDBG-funded program. Subrecipients must adhere to all guidelines outlined in the contract terms. Carefully review the full contract language and contact the County with any questions prior to signing. Entering into the contract makes the CDBG requirements legally binding. Be sure your organization is prepared to comply with all contractual obligations related to the funded program. The fiscal year and performance period for Richland County’s CDBG program is October 1st to September 30<sup>th</sup> of year. Costs of operation associated with a time period not covered by the contract will not be reimbursed.

**Budget Revisions**

The original program budget is developed to cover the expected costs of fulfilling the contracted program objectives. However, as the program proceeds, it may become necessary to revise the initial approved budget. Any spending requests differing from the original budget require submitting a formal budget revision request to the Department for approval prior to implementation. The request must provide justification for each proposed line item change, including explaining why the adjustment is needed and detailing any impacts to program scope or objectives. Budget revision requests should be submitted at least two weeks before the requested effective date to allow time for review and approval. Once officially approved, the updated budget will become the new budget to follow. Carefully monitor spending to ensure it aligns with the revised authorized budget.

**Client Eligibility & Required Beneficiary Documentation**

Subrecipients must document income eligibility for all clients receiving services funded by CDBG grants. This documentation is required to verify compliance with HUD's national objectives for serving low- and moderate-income populations. Richland County and subrecipients have a responsibility to certify that CDBG funds are benefiting eligible low- and moderate-income individuals based on HUD's income limits (see attached chart).

Limited exceptions are made for clients of battered women's shelters, seniors over age 62, and people with disabilities.

In addition to income data, HUD requires subrecipients to collect information on clients' race, gender, ethnicity, female-headed household status, Richland County residency, and low-to-moderate-income status.

Richland County Community Development staff and HUD must have access to client names, addresses, and eligibility documentation upon request. Subrecipients must maintain confidentiality of all applicant information for CDBG-funded services

**FY 2023 Income Limits Summary**

FY 2023 Income Limit Category	Persons in Family							
	1	2	3	4	5	6	7	8
Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	29,400	33,600	37,800	<b>41,950</b>	45,350	48,700	52,050	55,400
Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	17,650	20,150	24,860	<b>30,000</b>	35,140	40,280	45,420	50,560
Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	47,000	53,700	60,400	<b>67,100</b>	72,500	77,850	83,250	88,600

## PROGRAM PERFORMANCE AND REQUIRED DOCUMENTATION:

### Quarterly Reports

Agencies must submit quarterly progress reports through Neighborly detailing their advancement towards contracted program goals and performance indicators. These reports explain the program's progress in relation to the objectives outlined in the Scope of Work. Failure to submit reports on time may lead to delayed reimbursements or poor performance reviews during future funding consideration. The fourth and final Quarterly Report will also serve as the Closeout Report summarizing the program's overall results. The due date for **Quarterly Reports is the 15th of the month by 5pm (January 15<sup>th</sup>, April 15<sup>th</sup>, July 15<sup>th</sup>, and October 15<sup>th</sup>).**

### Monitoring

Richland County will monitor subrecipient projects funded under Title I of the Housing and Community Development Act per its regulatory responsibilities. The Grants staff will use both desk monitoring and on-site monitoring to evaluate program performance throughout the contract period.

Desk monitoring refers to reviewing materials submitted by subrecipients. This includes items such as reimbursement requests, performance reports, and client documentation. The Grants staff will conduct ongoing desk monitoring throughout the contract term.

On-site monitoring involves in-person visits to subrecipient locations. Grants staff will inspect operations firsthand and interview personnel. On-site monitoring will occur at least once per contract term. More frequent site visits may happen for high-risk subrecipients or those demonstrating performance issues.

The monitoring plan aims to continuously assess quality and compliance of subrecipient activities. Issues identified during monitoring will require corrective actions. Monitoring is not a "one-time- event".

The objectives of the monitoring plan are to ensure subrecipients:

- Implement CDBG-funded projects on time according to the agreement terms and any modifications.
- Adhere to all regulations governing their administrative, financial, and programmatic operations.
- Accomplish performance goals within the approved schedule and budget parameters.
- Maintain the organizational capacity to successfully carry out the approved program or project over time.

The monitoring aims to verify timely regulatory compliance, achievement of contracted objectives, and ongoing subrecipient capability to execute the funded activities.

#### **A. Monitoring Guidelines**

To accomplish the monitoring objectives, Richland County Grants staff will maintain regular communication with subrecipients. The monitoring guidelines aim to continuously evaluate subrecipient activities and provide support to build capabilities.

Standard monitoring policies include:

- Reviewing and analyzing project budgets, national objectives, activity eligibility, and other application details to identify high-risk projects requiring enhanced monitoring.
- Conducting periodic desk monitoring through the analysis of reimbursement requests, performance reports, and other documentation submitted by subrecipients.
- Performing at minimum one on-site monitoring visit per contract term to inspect operations and interview subrecipient personnel

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firsthand. Additional site visits may occur for high-risk or

underperforming subrecipients.

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## CDBG Public Services Program Guidelines

- Issuing written monitoring reports to subrecipients summarizing results, outlining any findings or concerns, and detailing required corrective actions and deadlines for resolution.
- Providing technical assistance and training to subrecipients throughout the contract term to improve performance.

The Richland County Grant Programs Division staff will monitor CDBG activities through both desk monitoring and on-site visits. Desk monitoring involves the continuous review of reimbursement requests, monthly reports, and other documentation submitted by subrecipients. For on-site monitoring, staff will use a checklist to evaluate compliance with all aspects of the CDBG program. Subrecipients will receive at least 14 days advance notice of upcoming site visits, including the purpose and focus areas to be covered during monitoring. On-site visits may review items such as financial management, client eligibility verification, personnel policies, inventory controls, progress towards objectives, and overall regulatory compliance. Staff will interview subrecipient personnel and inspect operations firsthand.

### **Auditing**

Subrecipients must submit either a single audit, audited financial statements, or an annual certified financial statement. It is the subrecipient's responsibility to ensure audits are conducted properly and submitted on time. Failure to provide the required audit documentation will result in the subrecipient being deemed noncompliant. No funds can be drawn during noncompliance until Richland County Community Development receives and reviews the audit. Richland County reserves the right to require a subrecipient to hire a Certified Public Accountant to review and report on the agency's financial and programmatic records. Timely submission of proper independent audits is critical for subrecipients to remain compliant and continue receiving reimbursements. Richland County may mandate more extensive financial reviews for high-risk subrecipients.

**Single Audit:** Organizations that expend \$750,000 or more in one year in federal awards shall have a single or program specific audit conducted for that year.

**Audited Financials:** This means that a CPA has audited your records in accordance with generally accepted accounting practices and procedures, and provided a hard copy.

**Annual Certified Financial Statement:** This is the lowest threshold criteria and will only be accepted from those nonprofits who can document that they did not qualify for a single or regular audit. Annual Certified Financial Statements (ACFS) must be certified (signed and dated) by the Treasurer and the Board President. They must also have the following certification statement: We, the undersigned, as Executive Director and Treasurer of (Name of Agency), hereby certify that, to the best of our understanding and knowledge, the attached Financial Statements fairly and accurately represent the financial condition and operations of this organization.

**Richland County Internal Audit Reviews:** Richland County reserves the right to have its Internal Audit Division review all Subrecipient records and transactions. Audit findings resulting in monetary repayment to the County will be collected by the County from the Subrecipient's non-federally funded resources. Richland County Internal Auditors review Community Development's Subrecipient monitoring/account reviews to begin their single audit reviews. Reports containing findings are then sent to both the Community Development and the Subrecipient for compliance. Progress on the compliance is also monitored. Failure to rectify findings within the given time frame may result in suspension, termination of grant agreement, and/or disbarment from future grant funding.

## FISCAL MANAGEMENT

In accordance with 24 CFR Part 85, Richland County must adhere to certain administrative standards for federal grants, including:

- OMB Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments"- Establishes principles for determining allowable costs under grants for governments.
- OMB Circular A-122 "Cost Principles for Non-Profit Organizations"- Establishes principles for determining allowable costs under grants for nonprofits.
- OMB Circular A-133 "Audits of Institutions of States, Local Governments and Nonprofit Institutions"- Sets audit requirements for grant recipients.

By accepting this grant, the Subrecipient certifies that it has established an effective and efficient system of accounting and administrative internal controls to properly conduct this grant with full accountability for the resources made available.

### Eligible Expenses

For expenses to qualify for reimbursement under CDBG grants, costs must adhere to the standards in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This outlines the Office of Management and Budget criteria for determining whether costs are reasonable, allowable, and allocable. General eligible cost principles and examples are provided below, but this is not a comprehensive list. All subrecipient costs charged to CDBG grants must comply with the allowable cost principles in 2 CFR Part 200 as well as any subsequent applicable regulations. The Grant Manager will review all subrecipient reimbursement requests to ensure claimed expenses meet the federal eligibility criteria before approving payment. Subrecipients should thoroughly review federal cost principles when budgeting for and tracking costs to avoid disallowed expenses.

#### General Principles:

- The costs must be necessary and reasonable for effective delivery of contracted activities per the approved budget. Richland County reserves the right to make a final determination on whether costs are necessary and reasonable.
- The costs must comply with all contractual, regulatory, and statutory limitations and requirements.
- Proper documentation of the costs must be maintained and accounting procedures followed.
- The costs must be reported as the net amount after deducting any applicable credits, discounts, rebates, program income, or refunds.

#### **Eligible Activities for Public Services:**

- Employment services (job training)
- Crime prevention and public safety
- Child care
- Health services
- Substance abuse services (counseling, treatment)
- Education programs
- Energy conservation
- Senior services
- Homeless services
- Welfare services (excluding income payments)
- Recreational services

#### **Eligible Activities for Public Facilities and Improvements:**

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- Facilities
    - Streets and Sidewalks
  - Sewer and Water

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## CDBG Public Services Program Guidelines

- Curb and Gutters
- Parks and Playgrounds
- Senior Citizens' Center
- Parking Lots or Garages
- Utility Lines
- Recreation Center
- Police or Fire Station in which services to the public are actually provided (as opposed to administrative offices).
- Aesthetic amenities on public land such as landscaping (trees, sculptures, pools of water and fountains and other works of art).
- Jails or Prisons
- Library
- Special Assessments
- Privately Owned Utilities

CDBG funds can pay for labor, supplies, materials, and operating/maintaining the portion of a facility housing the service. This includes leasing a facility, equipment, and other property needed to provide the service.

### Examples of Eligible Expenses:

- a. **Personnel Costs**- Salaries and wages reflecting actual time worked on the CDBG program. Fringe benefits like insurance and retirement are excluded.
- b. **Supplies**- Defined as tangible personal property other than equipment. To qualify as a supply rather than equipment, an item must have an acquisition cost below \$5,000 and be consumable with a useful life of less than one year.
  - For instance: A computer is considered a supply if the purchase price is less than \$5,000, regardless of how long the actual useful life extends.
- c. **Equipment**— Equipment refers to tangible personal property that has a useful life of more than one year and a per-unit acquisition cost equal to or exceeding \$5,000.
  - This includes equipment integral to infrastructure of the facility such as
    1. HVAC systems - Furnaces, ductwork, air handlers, thermostats permanently affixed to the structure.
    2. Electrical systems - Wiring, circuit panels, switches, lighting fixtures built into the facility.
    3. Plumbing systems - Pipes, drains, fixtures like sinks and toilets permanently installed.
    4. Vertical transport - Elevators, escalators, stair lifts permanently attached
    5. Fire protection - Sprinkler systems, fire panels, hardwired smoke detectors.

*Richland County and its legal department reserve the right to deny certain equipment purchase requests and have final discretion over what equipment can be funded through CDBG.*

- d. **Rent**—Rental costs for real property or office space utilized by the program. Shared office space should be allocated equitably between programs.
- e. **Food**—Meals and snacks that are an integral part of service delivery, such as for afterschool youth or preschool programs.
- f. **Audit Fees**—Limited to the prorated share of total CDBG funds relative to the organization's overall budget. For example, if CDBG is 20% of the budget, then 20% of audit costs may be charged.

### Ineligible Expenses

1. Vehicle purchases and transportation costs, including insurance.
2. Mileage for commuting or travel between home and work sites, mileage for travel by volunteers, and fuel costs/mileage tied to personal vehicle use.
  - o *Note: Only Mileage and fuel that both exceed \$500 total for staff travel for official business is eligible*
3. Fringe benefits for hourly or salaried employees.

4. Insurance reimbursement is not supported for General Liability, Board of Directors Insurance, Motor Vehicles, Equipment, or any specialty insurance, even when program-related. Insurance is the responsibility of the subrecipient for organizational activities.
5. Program funding that utilizes volunteers for construction/repair of a structure.
6. Purchasing furnishings, personal property, equipment, fixtures, motor vehicles, or other personal property not an integral structural fixture is ineligible.
7. Administrative costs that are not in direct service to beneficiaries or the execution of services for eligible direct program costs.
8. For departmental applicants within Richland County Government, CDBG funds cannot be utilized for inherently government responsibilities.

*NOTE: Non-profit agencies are exempt from paying federal unemployment tax, although State unemployment tax applies. You will not be reimbursed for any federal unemployment taxes you pay.*

### **Budget Revisions**

Modifications to approved budgets line items are allowable but must be directly related to changes in program services and activities and may not increase the budget total. To implement a budget modification, the Subrecipient must submit a written request via email which identifies the reasons for the adjustment and identifies which line items are to be increased and which are to be reduced. Richland County Community Development has the authority to grant or deny requests for budget revisions. Richland County will issue a written decision via email within ten business days of receiving the request. If approved, the revision to the Subrecipient's Contract with the County will take about 30 days.

### **Program Income**

Organizations providing services paid for by a Richland County CDBG grant can charge fees to clients to lower service delivery costs. These fees, or any other money made using CDBG funds, are considered Program Income (PI). PI includes, but is not limited to, service fees, selling tangible property, usage or rental fees, and royalties. PI must be recorded separately and returned to Richland County for disposition. With County approval, the Subrecipient may keep the PI if they notify the Community Development Manager in writing and use the income exclusively for the program. The PI will be subject to HUD guidelines for use. All PI must be reported. Donations are not PI and do not need to be reported, as they are voluntary offerings unrelated to receiving services or benefits. PI does not reduce the CDBG grant amount if it is spent on eligible expenses. However, any unused PI will decrease the amount of funds reimbursed.

### **Reimbursement for Eligible Expenses**

The CDBG programs use a cost reimbursement payment method.

- For Public Service projects, Subrecipients must submit Request for Reimbursement forms to Richland County through Neighborly, along with supporting documents, for review.
- For Public Facilities and Infrastructure projects, Subrecipients (i.e. County Departments and local agencies) will work directly with the Community Development Coordinator on a reimbursement process.

Subrecipients must submit requests at least quarterly, but can be as frequent as monthly. Expense categories in reimbursement requests should match the approved budget in the contract agreement. Subrecipients should highlight the total or portion of the reimbursement amount on all invoices, receipts, pay stubs, etc. before submitting. Supporting documentation submitted electronically must be appropriately named. The County may require revisions if errors, adjustments or clarification is needed. Requests will not be paid until review and verification of documents is complete. Accuracy is important as errors slow the process.

Once complete documents are received, processing takes approximately 30 days for submission to County Accounts Payable.

**Invoices:** Show who, what, when, and how the invoice was paid for reimbursement. Include vendor, amount, date, and proof of payment like cancelled checks, bank statements, check stubs, or paid credit card receipts. Quotes or order forms will not be accepted. Avoid cash payments. Document percentage of low-income county residents if charging a percentage. Legible copies only, retain originals. Receipts cannot be dated before 10/1/23 or after 9/30/24.

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**Payroll:** Include employee name, title, dates, and amount paid from paystubs, payroll system, or provider. Also provide cancelled checks or bank printouts showing direct deposit for pay date. If requesting reimbursement for fringe benefits, provide invoice and payment documentation from vendor. Include timesheets documenting time spent on the funded CDBG project.

**Spending Requirements:**

CDBG funds must be spent timely. Unspent funds are forfeited at year end. Spend 50% by 4/30/23, 75% by 6/30/23. All funds must be spent by 9/30/24.

**After Closeout:**

Purchased property, supplies, etc. become County property unless Subrecipient requests continued use to meet grant objectives and is approved in writing.

**Real Property Disposition**

Real property is defined as land, including land improvements and buildings. Any real property acquired or improved in whole or in part with CDBG funds in excess of \$25,000 must continue to meet the National Objective of the program for a minimum of 5 years after expiration of the contract, or for a period of time as deemed appropriate by Richland County.

If not used as stated above, the Subrecipient must sell the real property in a manner that results in the reimbursement of the federal grant funds that were expended for the project.

## **PROCUREMENT AND CONTRACTING**

All purchases made using CDBG funds must follow the federal procurement rules in 24 CFR Part 85.36, also known as the "Common Rule." These requirements for purchasing are intended to ensure that you:

- Use a fair and open competitive process to acquire goods and services.
- Properly document your purchasing activities and decisions.
- Follow the specific rules for different purchase types (small purchases, sealed bids, competitive proposals, sole source).
- Appropriately bond and insure construction contracts and subcontracts above a certain size.
- Make an effort to use local, small, minority-owned, and women-owned businesses whenever possible.

**Procurement Policy:** *This section is being updated with most recent Richland County Procurement Policies.*

## RECORD KEEPING AND ACCESS REQUIREMENTS:

**Grant Records Maintained for at Least Five Years:** To comply with HUD's requirements in 2 CFR Part 200, recipients must keep records of CDBG grant transactions for 5 years after submitting the final Quarterly Report and reimbursement request for that grant. Subrecipients may need to retain records longer if they relate to an ongoing audit, appeal, or other action started before the end of the 5-year period but continuing beyond it. For each activity, the following three types of documentation must be kept:

1. Records showing the activity benefits a population presumed by HUD to be low/mod income, such as disabled persons, those with HIV/AIDS, or the homeless.
2. Records demonstrating how the nature and location of the activity establish that it is used predominantly by low- and moderate-income individuals, such as census tract data.
3. Data on the size and annual income of the immediate family of each individual receiving the benefit, if not in the applicable low-income census tracts.

**Access to Records:** HUD and the Comptroller General of the United States, or their authorized representatives, have the right to access Subrecipient program records. All CDBG grantees must provide citizens with reasonable access to records about current and past funded programs, consistent with applicable state and local privacy and confidentiality laws. For each program, the agency should determine what data must be kept in the files and establish a system to ensure each file has the necessary information.

This list will vary from program to program, but each file should include the following:

- CDBG application
- Richland County Contract
- Procurement information, bids and other contracts
- Budget
- Expenditure and payment information including supporting documentation
- Characteristics and location of clients served
- Program status, progress reports, audits, monitoring reports and correspondence

### Program Termination

If the program terminates, copies of all records related to the contracted program or activity must be provided to Richland County. Financial statements submitted to the County must be accurate and correct. If inaccurate reports are submitted, the County may require the Subrecipient to hire a licensed accounting firm at the Subrecipient's expense.

**Social Media:** Please remember to tag Richland County in social media posts related to your CDBG funded program during the program year.

Facebook: [facebook.com/RichlandSC](https://www.facebook.com/RichlandSC)

Twitter: [@richlandsc](https://twitter.com/richlandsc)

Instagram: [@richlandcountysc](https://www.instagram.com/richlandcountysc)