



*Community Development Block Grant Program (CDBG) – Community Development
Economic Development Department*

FY 2017

**REQUEST FOR
QUALIFICATIONS (RFQ)**

FISCAL REQUIREMENTS



RFQ Submittal Requirements

- Assurance of Audit Requirement Form.
 - OMB Circular A-133 **OR**
 - 2 CFR Part 200 Subpart F
- If applicable, Single Audit.
- Audited Financial Statements.
- Active DUNS number.
- Must not have any type of suspended status with the State of California.



Assurance of Audit Requirements

- OMB Circular A-133:
 - Most recently completed fiscal year start date **BEFORE** Dec. 26, 2014.
 - Expended \$500,000 or more.
- 2 CFR Part 200 Subpart F:
 - Most Recently completed fiscal year start date **ON OR AFTER** Dec. 26, 2014.
 - Expended \$750,000 or more.



Audited Financial Statements

- If Single Audit required, submit with Audited Financial Statements.
- Required of all non-governmental applicants.
 - Fiscal year end date of 06/30/14 or later.
 - Unmodified/Unqualified Opinion.
 - Cash balance from Balance Sheet will be used to calculate maximum funding request threshold.



Three (3) Month Cash Rule

Three (3) months of cash reserve is required based on the following reimbursement schedule below:

- 1st month to spend funds.
- 2nd month to prepare reports to submit for reimbursement with supporting documentation.
- 3rd month to complete review and processing of reimbursement.



Maximum Funding Request **Threshold Calculation**

Audited Financial Statement Cash Balance

100,000.00

Multiply Cash Balance by 4

400,000.00

The Maximum Funding Request Threshold Amount will be provided in the Notification of Results Letter.



Project Request Minimums

Per Council Policy 700-02:

- Public Services and Community & Economic Development is \$50,000.
- Capital Improvement Projects-Public Facilities/Infrastructure and Capital Improvement Projects-Housing Rehabilitation is \$100,000.



Federal and State Status

- Must have an active DUNS #.

https://www.sam.gov/sam/SAM_Guide/SAM_User_Guide.htm

- Must not be debarred/suspended with the State of CA.

<http://kepler.sos.ca.gov/>



Disqualification Criteria

- Incomplete or Incorrect Assurance of Audit Form.
- If applicable, the Single Audit not submitted and/or doesn't meet all requirements.
- Audited financial statements not submitted and/or doesn't meet all requirements.
- Calculated Maximum Funding Request Threshold Amount doesn't meet project request minimums.
- DUNS number not active.
- Negative status with the State of California.



Internal Control Weaknesses

- Roles and responsibilities are not clearly outlined through organizational charts, position descriptions and detailed written procedures.
- Smaller agencies may have difficulty with compliance due to low staffing. This is when Board members should be incorporated in the financial review process to ensure against fraud.



Procurement Method Weaknesses

- Applicants with no federal award experience may not have procurement methods in place.
- Procurement methods are not the same as purchasing procedures.
- All federal award purchases must be made with 1 of the 5 procurement methods outlined by HUD regulations.



Technical Assistance

- TA will be provided to agencies that have what is considered weak internal controls and/or no experience with procurement methods.
- HUD has created a financial management training program that can be accessed at the link below:

<https://www.hudexchange.info/training-events/financial-management-curriculum/>