
CITY OF SPRINGFIELD

Internal Grant
Management Policies and
Procedures for HUD
Homeless and Special
Needs Housing Programs

Office of Housing
Updated May 2014

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INTRODUCTION

The City of Springfield Office of Housing administers three U.S. Department of Housing and Urban Development (HUD) grant programs for homeless and special needs housing: the Continuum of Care (CoC) program, the Emergency Solution Grant (ESG) program, and the Housing Opportunities for Persons with AIDS (HOPWA).

This manual describes the grant management structure and policies and procedures used in the management of these three programs.

Continuum of Care (CoC)

The Hampden County of Care (Hampden County CoC) is made up of representatives from relevant stakeholders who organize and lead the community response to homelessness, including a coordinated assessment system, and who allocate HUD funding to rapid rehousing and permanent supportive housing programs. The CoC is governed by a Board of Directors and guided by a Governance Agreement.

Pursuant to its Governance Agreement, the Hampden County CoC has selected the City of Springfield to be the Collaborative Applicant (“CA”) or Uniform Funding Agency (“UFA”) for HUD CoC funds. (The City will operate as a CA until UFA status is approved, at which time the City will have additional duties and responsibilities as set forth in 24 C.F.R. § 578.11). In the role of CA or UFA, the City receives CoC grant funds from HUD and enters into subrecipient contracts with providers of CoC programs.

Emergency Solutions Grant (ESG)

The City of Springfield is an entitlement grantee for Emergency Solutions Grant (ESG), which provides funds to communities to prevent homelessness, provide rapid rehousing assistance and essential services to those who are homeless, and to operate homeless shelter. In collaboration with the Hampden County CoC, the City selects subrecipients to carry out ESG activities and enters into subrecipient contracts with those providers.

Housing Opportunities for Persons with AIDS (HOPWA)

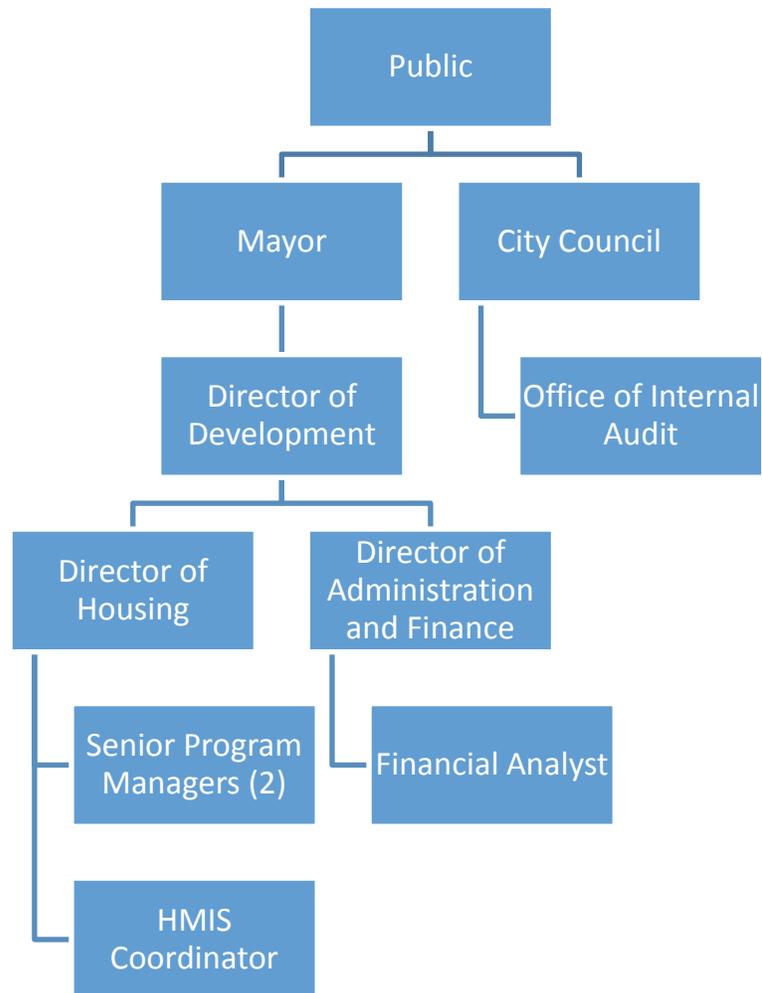
The Housing Opportunities for Persons with AIDS (HOPA) program provides funds for housing assistance and related supportive services to persons living with HIV/AIDS. In Western Massachusetts, funds are allocated on an entitlement basis to the Eligible Metropolitan Statistical Area (EMSA) of Hampshire, Hampden and Franklin Counties. The City of Springfield administers the EMSA HOPWA grant, selecting subrecipients through a request for proposals process and entering into subrecipient contracts with those providers.

SECTION 1: SPRINGFIELD GRANT MANAGEMENT CAPACITY

Springfield employs a grant management team to oversee and monitor CoC, ESG and HOPWA grants. Key staff are shown in the organizational chart below; they are the Director of Housing, the Director of Administration and Finance, two Senior Program Managers, the HMIS Coordinator, and a Financial Analyst. The City's Office of Internal Audit provides another internal level of oversight and reporting.

The City maintains a close relationship with its HUD representatives and consults them regularly when guidance is required. When there are particularly complex issues, the City seeks technical assistance from experienced consultants.

Organizational Chart



Duties for Key Employees

Director of Administration and Finance

The Director of Administration and Finance is responsible for:

- Obtaining all necessary approvals for grants within the City;
- Setting up grants in MUNIS;
- Budget approvals for Subrecipients;
- Approval all encumbrances in MUNIS;
- Approval all expenditures in MUNIS;
- Approving drawn funds in LOCCS;
- Account Reconciliations;
- Financial Reports;
- Grant close out;
- Fiscal Monitoring of subrecipients; and
- Assessment of high-risk subrecipients for on-site technical assistance.

Director of Housing

The Director of Housing is responsible for:

- Review and approval of grant applications and subrecipient contracts;
- Approval of reimbursement requests;
- Review and approval of contract change requests;
- Review and approval of monitoring results and any required corrective actions;
- Review and approval of Annual Performance Reports for submission; and
- Identification of high-risk subrecipients and oversight of monitoring of those subrecipients.

Senior Program Managers

The City employs two senior program managers who are responsible for management of CoC, ESG and HOPWA grants. The Senior Program Managers are responsible for:

- Preparation of subrecipient contracts;
- Review of invoices and ensuring that proper back-up documentation has been provided;
- Presentation of reviewed invoices to the Director of Housing for approval for payment;
- Preparation of financial information for Annual Performance Reports and provision of that information to the HMIS Coordinator;
- Processing change requests to present to Director of Housing for approval;
- Alongside the Program Analyst, monitoring subrecipients to ensure compliance with program requirements; and
- Drafting monitoring letters for Director of Housing approval.

Financial Analyst

The Financial Analyst is responsible for:

- Alongside a Senior Program Manager, monitoring subrecipients to ensure compliance with financial requirements;
- Entering encumbrances into MUNIS;
- Comparing expenditure requests with contract budgets;
- Entering expenditures into MUNIS;
- Preparing drawdowns for Director of Administration and Finance approval;
- Entering drawdowns into the appropriate database; and
- Balancing of Program Income.

HMIS Coordinator

The HMIS Coordinator is responsible for:

- Operation and management of the Homeless Management Information System;
- Monitoring subrecipient data quality and informing the Director of Housing of problems with data quality;
- Producing HMIS data for Annual Performance Reports;
- Completing APRs in *e-snaps* and forwarding them to the Director of Housing for review and submission; and
- Compiling and submitting annual data to HUD for the Annual Homeless Assessment Report.

Director of Internal Audit

M.G.L. chapter 468 requires the City to have a Director of Internal Audit. The Office of Internal Audit conducts financial and performance reviews to prevent and detect waste, fraud and abuse and to improve the efficiency, effectiveness, and quality of public services provided in and by the City of Springfield. The Office of the Internal Audit has a fraud hotline for anyone with information regarding known or suspected misappropriation of municipal funds or resources. The Director of Internal Audit receives the annual report of the City's independent Certified Public Accountant.

SECTION 2: SPRINGFIELD FINANCIAL MANAGEMENT POLICIES AND PROCEDURES

Financial Management Systems

MUNIS

Springfield utilizes the MUNIS Financial Management System. Springfield's MUNIS Financial Management System delivers accurate, transparent, and efficient financial operations. MUNIS connects financial data to the MUNIS General Ledger, a multi-fund accounting system with automated Due To/Due From processing. The MUNIS system records Grant Awards, Obligations, Un-Obligated Balances, Assets, Liabilities, Expenditures and Program Income. A flexible chart of accounts is adaptable to the program and projects' needs.

MUNIS updates all balances in real-time with each transaction, connecting users to the most current, accurate information. MUNIS' Project and Grant Accounting provides an optional method for multi-year tracking of budgets, expenditures and revenues for user-defined projects, such as capital improvements, special programs and more.

HUD Line of Credit Control System (LOCCS)/Voice Response System (VRS)

The City of Springfield uses the LOCCS/VRS system to drawdown funds for CoC grants. LOCCS is the system HUD uses to distribute and track the payments of CoC grant funds to grant recipients. Grantees request program funds through an automated VRS payment system that is maintained by LOCCS. Grantees use VRS to request funds via a touch-tone telephone.

The VRS requires the caller to enter a LOCCS program Area User ID, password, and a Voice Response grant number to ensure that the caller has authority to request grant funds for the particular grant. The requested payment amount is checked against the grant's available balance in LOCCS to ensure that the request does not exceed the grant's authorized funding limit. LOCCS will only allow one draw per day on a given grant, unless funds are requested by project or subgrantee.

Once a request/draw is approved, funds are sent from the U.S. Treasury directly to the grantee's bank account, usually within 48 hours from the day the request is made.

The City of Springfield will not request advanced funding from HUD. All draw down requests are on a reimbursement basis only. See LOCCS drawdown procedures on pages 23 and 24 of this document.

Internal Controls

Grant and Budget Establishment

The City of Springfield Comptroller's Office is responsible for the use and maintenance of the MUNIS financial system. All grant awards, obligations, unobligated balances, assets, liabilities, expenditures, and program income are tracked within the MUNIS system.

Once a grant is approved by HUD, a Grant Set up Form (GSUF) is completed by the Financial Analyst and approved by the Director of Administration and Finance. The GSUF includes an approved City Council Order as well as all information relative to the grant: type, name, amount, award date, awarding agency, grant period, matching requirements, description, special conditions/restrictions, and drawdown information. The set up form lists all the organizational and object codes for each grant. Organizational and object codes follow the approved grant budget. The GSUF and the signed grant agreement are then sent to City Comptroller's Office.

Once the City Comptroller's Office approves the GSUF, an account is set up in the MUNIS Financial Management System in both the grant module and the project module. The account information entered into MUNIS follows the GSUF. The account and budget information is entered by a Financial Accountant in Comptroller's Office based on information provided in the GSUF.

Next, the Budget is approved by the City Comptroller or the Deputy City Comptroller and officially posted in MUNIS. Upon posting of the budget by the Comptroller's Office, a Financial Accountant will notify the Director of Administration and Finance, who then notifies the Senior Program Manager. The Senior Program Manager is responsible for communicating awards to various agencies.

A budget is kept internally for each grant that mirrors MUNIS. This internal grant record includes grant awards, obligations, un-obligated balances, expenditures and program income. Approved budgets are also detailed to identify their specific relation to eligible scope of work.

Processing of Invoices

Invoices are to be submitted monthly to the Senior Project Manager, who compares the invoice to the program budget and verifies that all source documentation is provided. The Financial Analyst matches a submitted invoice which has been approved by the Senior Program Manager to the correct contract and purchase order and reviews the fiscal expenditure draw for contract compliance.

Following the programmatic and fiscal review of an invoice, the Senior Program Manager and the Financial Analyst sign the invoice authorizing payment and submit it to the Director of Housing. If deficiencies are found, the subrecipient is notified immediately. Payment is contingent on: (1) expenditures being in accordance with the contract; and (2) satisfactory monitoring with no other outstanding issues. If no negative findings are identified, the Director of Housing signs the invoice and forwards it for processing.

The expenditure is then entered into MUNIS by the Financial Analyst. The expense is liquidated against the purchase order and approved within the MUNIS system by the Director of Administration and Finance and verified by the City Comptroller's Office. Once verified and approved by the City Comptroller's Office, a check is generated by the City Treasurers office within the MUNIS system.

The MUNIS system will not allow for payments/encumbrances that exceed the purchase order/contract amount or the grant award.

Payment on Reimbursement Basis Only

The City of Springfield does not request advanced funding from HUD. All draw down requests are on a reimbursement basis only.

Drawdowns and Reconciliation

All drawdowns from HUD or other funding agencies are prepared by the Financial Analyst based on actual expenditures in MUNIS. The Director of Administration and Finance then enter the voucher in LOCCS and sends an expected fund alert to the Treasurer's office based on the draw-down request. This alert tells the Treasurer's office of an incoming wire and for what project the funds are associated with.

All balances, draw-downs and close outs in LOCCS are reconciled with the City's MUNIS system by the Senior Program Manager and the Financial Analyst and reviewed by the Director of Administration and Finance. Year-to-date budget reports are run monthly by the Financial Analyst on each grant and the draw-downs in LOCCS are based on actual expenditures.

Monthly, the Financial Analyst balances internal control spreadsheets against MUNIS and LOCCS. The Senior Program Manager reviews all spreadsheets and confirms that all accounts balance. The monthly internal program review report is sent to Director of Administration and Finance for review and approval.

A monthly activity report is also created by the Comptroller's Office detailing beginning balance, Grant Award, revenue received, expenditures, encumbrances, and the ending cash balance. The Director of Administration and Finance reviews the activity report.

Quarterly, a full Program Reconciliation is performed by the Financial Analyst to balance all expenditures in MUNIS and LOCCS. As with the monthly review, the Senior Program Manager reviews the Quarterly Report before submission to Director of Administration and Finance and the Director of Housing for approval.

LOCCS/VRS Set Up and Drawdown Procedures

The Mayor of the City of Springfield is the Approving Official for the LOCCS/VRS. The Mayor assigns and approves staff access. The Director of Administration and Finance is the Authorized User for the LOCCS/VRS system for COC Grants.

Creating the Line of Credit Control System (LOCCS) Account The following forms must be completed:

- LOCCS Voice Response Access Authorization, Form HUD (27054)
- Direct Deposit Sign-up Form (SF-1199A)

Accessing LOCCS/VRS After all forms are received by the Program Office a User name and Password is sent by the LOCCS Security Office. Once the Grantee has returned all the required forms, a letter is sent containing the computer generated VRS number. The VRS number is a unique all-numeric 10 digit number for each grant.

Drawdowns are prepared monthly, using the following procedures:

- A report from MUNIS is generated by the Financial Analyst, who reviews and signs off on the monthly expenditures. The report is also reviewed and signed by the Senior Program Manager.
- The report is submitted to the Director of Administration and Finance.
- The Director of Administration and Finance reviews the report and signs the reconciliation.
- The Director of Administration and Finance prepares the Voice Response Voucher.
- The voucher contains the voucher number, LOCCS program area, the period covered by the request, the recipient organization, the organizations FID number, the organizations address, balance of funds on hand, the VRS number, the line item expenditures, and the name and title of the person authorized to request funds.
- The Director of Administration and Finance then enters a voucher into the LOCCS system detailing the approved budget line items.
- The Mayor signs the voucher authorizing the Drawdown Voucher.
- An expected funds alert is sent to the Treasurer's Office.
- Funds are received within 48 hours of approved voucher within the LOCCS system.

Grant Close-Out

HUD formally closes out grants when a project is completed. HUD uses the same process when projects are terminated or no longer funded by HUD or when recipients discontinue a project.

Within the City, the Senior Program Manager notifies the Financial Analyst when a contract is complete and can be closed out in MUNIS and LOCCS or IDIS. Once all expenditures have been processed and all revenue has been received, grant close out begins.

The Director of Administration and Finance informs the Financial Analyst in the City Comptroller's office of the requested close out. The Comptroller's office then verifies all expenditures and revenues have been received and the grant can be closed. Notification is promptly delivered to HUD by the Director of Administration and finance requesting the grant be closed.

HUD's grant closeout requirements are described at 24 CFR parts 84 and 85 and in other procedures established by HUD. The City must submit all reports required by HUD no later than 90 days from the date of the end of the project's grant term. Obligations remaining at closeout must be covered by the terms of the close-out agreement.

The closeout agreement, prepared by HUD in conjunction with the City, will include the following:

- Identification of closeout costs or contingent liabilities subject to payment with CoC Program funds after the closeout agreement is signed;
- Identification of unused grant funds to be de-obligated by HUD;
- Identification of any program income on deposit in financial institutions;
- Description of the recipient's responsibility after closeout for compliance with all program requirements related to the use of program income and remaining CoC Program funds; use of

real property; use of personal property purchased with CoC Program funds; and compliance with requirements governing project income received subsequent to grant closeout; and

- Other provisions appropriate to any special circumstances of the grant closeout.

Salaries and Wages

The City of Springfield utilizes the KRONOS payroll system for the recording and reimbursement of administrative and program support staff. The KRONOS system requires staff and their immediate supervisors to certify payroll weekly; followed by a time stamp record of this weekly certification. The system shows the grants and programs worked on. KRONOS has the functionality to record comments next to each days funding split, which are mandated to be done by all grant funded staff. Based on the time punches by employees, reports are created representing the exact hours pertaining to specific projects completed by staff. The payroll expense based on actual hours worked on each grant is charged weekly in the City's financial reporting system MUNIS.

Program Income

The City of Springfield does not receive program income from CoC grants. Program income is the income received by the subrecipient directly generated by a grant-supported activity. Program income earned during the grant term shall be retained by the recipient, and added to funds committed to the project by HUD and the recipient, used for eligible activities in accordance with the requirements of this part. Costs incident to the generation of program income may be deducted from gross income to calculate program income, provided that the costs have not been charged to grant funds.

Indirect Costs

The City does not charge an indirect cost to HUD funded grants. Administrative costs and support staff costs are charged based on actual hours worked.

Document Control and Reporting

All documents are standardized, properly documented, recorded, and auditable. Records, applications, and support documents related to grants are retained for the greater of seven years from close-out of the grant award, final audit acceptance, or the period required by other applicable laws and regulation. The file consists of source documentation, including contracts and subrecipient awards, and is maintained in hard copy files. The City MUNIS system also retains all source documentation and accounting records for the same period.

The City submits an Annual Performance Report (APR) to HUD in the *e-snaps* system no later than 90 days following the grant year end for each CoC program grant. APRs provide information about the program, persons served and outcomes, and use of funds during the grant period. APRs are maintained in the *e-snaps* database indefinitely.

The CoC's Homeless Management Information System (HMIS) contains program and secure and private client-level data about CoC programs and clients. HMIS data is stored electronically off-site, is backed up in a second secure location, and is maintained indefinitely.

SECTION 3: PREVENTING FRAUD AND ABUSE OF FUNDS

In order to ensure the proper disbursement of grant funds, the City maintains compliance with HUD rules and regulations, as well as other applicable federal regulations such as Office of Management and Budget Circulars A-87, A-133, and 24 Code of Federal Regulations Part 85 (Uniform Administrative Requirements). The City of Springfield particularly emphasizes mitigation of fraud, abuse and mismanagement related to accounting, procurement and accountability. The City monitors the compliance of subrecipients and HUD monitors the Office of Housing. In addition to the steps listed below, the following sections of this document also detail the City's policies to prevent fraud, abuse of funds and duplication of benefits: Section 6 (Accounting Principles and Audit Requirements), Section 7 (Subrecipient Monitoring) and Section 8 (Remedial Actions and Sanctions). Springfield assesses all program policies and procedures from an anti-fraud, waste, and abuse perspective.

The City has a blanket crime policy for all employees who handle cash. The Treasurer, Assistant Treasurer, and the Assistant City Collector are bonded as required by Massachusetts General Law.

The City is subject to Mass. General Laws Chapter 468, which requires the City to maintain an Office of Internal Audit, which conducts financial and performance reviews to prevent and detect waste, fraud and abuse and to improve the efficiency, effectiveness, and quality of public services provided in and by the City of Springfield.

The Office of the Internal Audit has a fraud hotline that can be used to report information about fraud, waste, or abuse of resources related to the City of Springfield. Anyone with information regarding known or suspected misappropriation of municipal funds or resources is encouraged to report the information to the City's Office of Internal Audit. Concerns and findings may be submitted in one of three ways:

Complete a Fraud Information Report online; <http://www.springfield-ma.gov/finance/fraud-hotline.html>;

Leave a recorded voicemail message on the fraud hotline at (413) 886-5125. This hotline is available 24 hours a day, 7 days a week; or

Send a written report via U.S. mail to the following address: Office of Internal Auditor, 95 State Street, 6th Floor, Springfield, MA 01103.

SECTION 4: CODE OF CONDUCT

Conflict of Interest

The City's policy is that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would result from such participation.

Acceptance of Gratuities

Municipal employees are prohibited by law from soliciting or accepting gratuities, favors, or anything of monetary value from funding applicants, contractors, or parties to sub-agreements.

Penalties

City actors are bound to a code of conduct set forth at M.G.L. chap. 268A, sec. 1 *et seq.* It is the policy of the City Law Department to report all violations of the Code of Conduct set forth in the Massachusetts General Laws to the Massachusetts State Ethics Commission.

SECTION 5: PROCUREMENT POLICIES AND PROCEDURES

The City follows 24 CFR 85.36 and Massachusetts State Law requirements (M.G.L. ch. 30B) regarding procurement. Appendix E of this document provides a crosswalk of the requirements of the local, state and federal procurement requirements. The Director of Administration and Finance works with the Chief Procurement Officer and Law Department of the City of Springfield to insure adherence to all state, local and federal procurement laws.

Procurement Value Thresholds

Pursuant to M.G.L. ch. 30B, Springfield establishes four different thresholds which trigger different procedures for procurement of supplies and services, depending on the value of the contract. The thresholds are as follows:

Purchases for less than \$5,000

Purchases for less than \$5,000 require the use of “Sound Business Practices,” ensuring that the price the City is paying is reasonable. Employees are encouraged to use catalogs, price lists and quotes.

Purchases for \$5,000 or more but less than \$25,000

Purchases that will be at least \$5,000 but less than \$25,000 require solicitation of at least three (3) written quotes and the City’s Office of Procurement will award the bid to the responsible vendor who gives the lowest quote that meets the purchase description. The Office of Housing submits the following solicitation specification information to the Office of Procurement: Name(s) and address of Vendor(s); Detailed description of supplies or services to be purchased; Total dollar amount of purchase; Date; Any delivery date specifications; and Warranty(s) or Terms and Conditions associated with the transaction.

Purchases for \$25,000 or more

Any purchases for goods or services of \$25,000 or more require solicitation of formal, advertised bids or proposals by the Office of Procurement. The two most widely used form of bids are: Request for Proposals (RFP) and Invitation for Bid (IFB). Bids are opened by the Office of Procurement and sent to the requesting Department for approval. Once approved by the Department Head and Chief Procurement Officer, a formal contract is generated for signatures.

Sole-Source Procurements

M.G.L ch. 30B places strict limitations on sole-source procurements, which are purchases of supplies or services without advertising or competition. Sole-source procurements do not avoid the contractual process.

For goods and services under \$25,000, sole-source procurements are only permissible when a reasonable investigation shows that there is only one practicable source for the required supply or service. The determination that only one practicable source exists (which is verified by the Purchasing Department) must be in writing from the vendor and include the following: Name(s) and address of Vendor(s); Detailed description of supplies or services to be purchased; Total dollar amount of purchase;

Date; Basis of determination that only one practicable source exists; Any delivery date specifications; and Warranty(s) or Terms and Conditions associated with the transaction.

Sole-source procurements for \$25,000 or more are only permissible for the following: 1) *Educational materials, library books, and software maintenance* following a determination in writing, after reasonable investigation, that there is only one practicable source for the items; and 2) *Utilities* (water, gas, electricity, sewer and telephone services) from a regulated industry company following a written determination that there is only one practicable source for the service.

Emergency Contracts

Emergency contracts should be used only when the time needed to comply with any requirement of Ch.30B would endanger the health or safety of people or property. In these circumstances, the City will comply with Ch. 30B to the extent practicable and retain all proper documentation.

Exercising Options to Renew, Extend, or Purchase

Chapter 30B places strict limits on contract renewal, extension, and purchase options. The City may exercise a renewal, extension, or purchase option only if the option terms were included in the original solicitation, if they were incorporated into the executed contract, and if the contract provides the City with the sole discretion to exercise the option.

SECTION 6: ACCOUNTING PRINCIPLES & AUDIT REQUIREMENTS

Accounting Principles

The City complies with requirements set forth in the following:

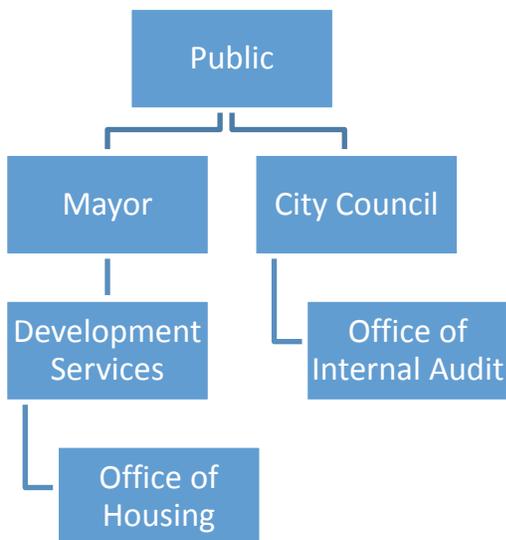
- [OMB Circular A-87](#) "Cost Principles for State, Local, and Indian Tribal Governments" This circular establishes principles and standards to provide a uniform approach for determining allowable costs under Federal grants and other agreements with states and local governments and Indian tribal governments.
- [24 CFR Part 85](#) "Administrative Requirements for Grants and Cooperative Agreements for State, Local, and Federally Recognized Indian Tribal Governments" These regulations set forth uniform requirements for financial management systems, procurement, reports and records, and grant close-outs for recipients of Federal grant funding.

Audits

The City of Springfield is subject to the Single Audit Act. A Single Audit encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant. The City undertakes an annual outside audit performed according to the standards of [OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations."](#)

All findings and associated evidence are reported directly from the independent Certified Public Accountant to the Office of Internal Audit and the Mayor. If the Audit includes findings, the City completes and submits to the independent Certified Public Accountant a corrective Action Plan. The corrective Action Plan is added to the Audit file of that year.

The organizational diagram below illustrates that, within the City, the audit function is independent and separate from the Office of Housing.



SECTION 7: SUBRECIPIENT MONITORING

The Office of Housing maintains a high level of accountability by using a combination of risk analysis of programs and activities, desk reviews, site visits, and checklists. All subrecipients are subject to on-site monitoring at least once per year. Subrecipients can be selected for additional or in-depth monitoring according to various factors and criteria, for example, unsatisfactory performance standards during the program period, current external audit findings, program experience, project complexity, or special circumstances. The Director of Housing and the Director of Administration and Finance review and recommend such actions as are necessary.

Monitoring is carried out primarily by the Program Managers and the Financial Analyst. The Program Managers and the Financial Analyst report directly to the Director of Housing and the Director of Administration and Finance on all monitoring issues.

Monitoring Process

The COC, ESG and HOPWA grant monitoring process includes these essential components:

INITIAL EVALUATION – An initial evaluation is conducted for each subrecipient. The initial evaluation takes place during project development and once a contract has been executed, and consists of assessment of risk factors and need for additional monitoring.

PRE-MONITORING – Pre-monitoring consists of technical assistance and reviews of subrecipient’s policies and procedures. The purpose of pre-monitoring is to review the policies and procedures of the subrecipients in meeting grant and CoC objectives.

HMIS REPORTING — Subrecipients must report client-level data for CoC, ESG and HOPWA grants in the Homeless Management Information System (HMIS), in close to real-time as required by CoC HMIS policies, unless they are prohibited/exempt by law from HMIS requirements. The City’s HMIS Coordinator reviews HMIS data for data quality on a monthly basis, and the CoC reviews HMIS data on a quarterly basis to review program progress and performance and client outcomes. HMIS data is also reviewed by the Director of Housing on an annual basis in preparation for submission of the APR.

MONITORING SCHEDULE—The Office of Housing maintains a master contract schedule to track the dates and results of monitoring for all subrecipients.

ON-SITE MONITORING—A notification letter is sent to the subrecipient confirming the date and the scope of the monitoring and a description of the information that will be required at the visit. At the visit, the monitor reviews project files to verify: (1) that the activities undertaken by the subrecipient are appropriate to satisfy the contractual obligations; (2) the accuracy of the information reported to HMIS; and (3) that the subrecipient is properly administering and implementing the program within federal guidelines. In addition, the monitor ensures that the subrecipient is achieving or making diligent efforts to achieve the goals and objectives stated in the contracts scope of service.

FOLLOW-UP—As a follow-up to a monitoring visit, the monitor sends a determination of compliance letter notifying the subrecipient of the monitoring results. The letter details the purpose of the visit, provides feedback, and addresses areas for improvement, if necessary. If the monitor identifies findings, a corrective action plan is required. If the monitor has any concerns, specific recommendations are provided to the subrecipient. The subrecipient is required to provide to the Office of Housing a written response describing how the subrecipient will resolve any findings and correct any deficiency identified in the letter. Upon receipt of a subrecipient’s response to identified findings or concerns, the monitor will determine if a follow-up site visit is necessary to ensure that (1) corrective action was taken; and (2) the agency is now complying and performing in accordance with its contract. If the Senior Program Manager is not satisfied with the corrective action taken by the subrecipient, the findings are sent to the Director of Housing and the Director of Administration and Finance for further action.

CLOSE-OUT – This operation generally follows the close-out procedures as required by HUD. The Senior Program Manager and the Financial Analyst are responsible for closing out projects and reconciling program activities. This ensures that proper documentation and close-out procedures are met.

LONG TERM COMPLIANCE—Projects that have long-term compliance requirements are monitored annually to ensure compliance with funding terms.

Procedures for High-Risk Subrecipient Management

A subrecipient may be considered high risk if the City determines that the subrecipient:

- Has a history of unsatisfactory performance;
- Is not financially stable;
- Has a management system which does not meet the management standards set forth in 24 CFR part 85;
- Has not conformed to terms and conditions of previous awards; or
- Is otherwise not responsible.

The City strongly discourages the CoC from making any award to a high-risk entity, and does not make ESG or HOPWA awards to high-risk entities. If the CoC awards a grant to a high-risk subrecipient, the City may impose special conditions and/or restrictions that correspond to the high risk condition and shall be included in the award. Special conditions or restrictions may include:

- Payment on a reimbursement basis;
- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
- Requiring additional, more detailed financial reports;
- Additional project monitoring;
- Requiring the subrecipient to obtain technical or management assistance; or
- Establishing additional prior approvals.

If the City decides to impose such conditions, the City will notify the subrecipient as early as possible, in writing, of:

- The nature of the special conditions/restrictions;
- The reason(s) for imposing them;
- The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions; and
- The method of requesting reconsideration of the conditions/restrictions imposed.

SECTION 8: REMEDIAL ACTIONS AND SANCTIONS

If the City determines that a subrecipient is not complying with a program requirement or the subrecipient agreement, the City will perform one of the remedial actions set forth below and/or will impose sanctions.

Remedial Actions

Remedial actions (described at 24 CFR part 578.107(b)(1)) may include the following:

- Developing and following a schedule of actions for carrying out project activities and projects affected by non-compliance, including schedules, timetables, and milestones;
- Establishing and following a grants management plan that assigns responsibilities for carrying out remedial actions;
- Canceling or revising project activities or projects likely to be affected by non-compliance before expending associated grant funds;
- Re-programming grant funds not yet expended for given activities or projects to eligible costs or projects;
- Suspending funds disbursement;
- Reducing or terminating a subrecipient's remaining grant funds and re-allocating funds to other subrecipients or returning funds to HUD; and
- Requiring matching contributions to be made before or in conjunction with draws being made from the recipient's grant.

Sanctions

Sanctions, as defined at 24 CFR part 578.107(b)(2) through (9), may include the following:

- Changing method of payment to reimbursement (not applicable to City of Springfield grants because the City only makes payment on a reimbursement basis);
- Suspending payments to preclude the further expenditure of funds for affected projects or activities;
- Continuing the grant with a substitute recipient of HUD's choosing;
- Denying matching credit for all or part of the cost of the affected activities and requiring further matching contributions;
- Requiring the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities;
- Reducing or terminating the remaining grant;
- Imposing conditions on a future grant; and
- Imposing other legally available remedies.

Deobligation of Funds

Regulations at 24 CFR part 578.107(d) allow HUD to deobligate funds for the following reasons:

- Failure to meet timeliness standards in 24 CFR part 578.85;
- Delays in completing construction activities that affect the expenditure of other funds for other activities during the remaining term of the grant;
- Costs for acquisition, new construction, or rehabilitation that are less than the total cost agreed to in the grant agreement;
- Actual annual leasing, operating, supportive services, rental assistance, or HMIS costs that are less than the total cost agreed to in the grant agreement for a 1-year period;
- Failure to move program participants into units within 3 months of units' availability for occupancy; and
- Other circumstances set forth in the grant agreement.

Withholding Payments

The City may withhold payments from subrecipients when the subrecipient has failed to comply with grant award terms or conditions. Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance.

The City shall not drawdown funding from HUD for amounts that are withheld from subrecipients to assure satisfactory compliance of grant terms. The City shall not drawdown from HUD until the City actually disburses the withheld funds.

Appendix A: Crosswalk of Procurement Requirements

Comparison of requirements of 24 CFR §85.36 to Commonwealth of Massachusetts procurement

85.36 subdivision	Topic	State or local provision	Comments
(b)(1)	General grantee procurement requirements	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Public Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(b)(2)	Contract administration system ensuring performance	M.G.L. c. 30B Procurement of Supplies and Services City Ordinance Chapter 42 Article 4 & Chapter 82 Standard City Contract Language, Appendix A	
(b)(3)	Conflict of Interest	Conflict of Interest Law as amended by c. 194, Acts of 2011 City Ordinance Chapter 38 Article 2 G.L. c. 268A Section 3, Gifts and Gratuities G.L. c. 268B, The Financial Disclosure Law, as amended by c. 194, Acts of 2011	
(b)(4)	Avoid purchase of unnecessary or duplicative items	M.G.L. c. 30B Procurement of Supplies and Services	
(b)(5)	Encourage use of intergovernmental agreements	M.G.L. c. 30B Procurement of Supplies and Services	
(b)(6)	Encourage use of federal excess and surplus property	M.G.L. c. 30B Procurement of Supplies and Services	Not a requirement that needs to be matched
(b)(7)	Encourage use of value engineering clauses in construction contracts	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 70, §38	
(b)(8)	Award to responsible contractors	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Public Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(b)(9)	Maintain procurement history records	M.G.L. c. 30 B The Uniform Procurement Act	
(b)(10)	Only use time and materials contracts in certain circumstances	M.G.L. c. 30 B The Uniform Procurement Act M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods	

(b)(11)	Grantee not feds responsible for resolution of disputes and protests	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	Not a requirement that needs to be matched
(b)(12)	Protest and dispute resolution procedures	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(c)(1)	Full and open competition	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(c)(2)	Bar on geographic preferences	M.G.L. c. 557 Corrective Changes in Certain Laws and Special Laws City Ordinance – Chapter 82	
(c)(3)	Written selection procedures that identify all requirements and do not unduly restrict competition	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(c)(4)	Prequalification	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods	
(d)(1)	Small purchase	M.G.L. c. 30 B The Uniform Procurement Act	
(d)(2)	Bids	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services City Ordinance Chapter 82	

(d)(3)	Competitive proposals	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services City Ordinance Chapter 82	
(d)(4)(i)(A)	Single source	M.G.L. c. 30 B The Uniform Procurement Act	
(d)(4)(i)(B)	Emergency	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(d)(4)(i)(C)	Awarding agency authorizes noncompetitive	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(d)(4)(i)(D)	After solicitation, competition determined inadequate	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services	
(e)	MWBE	City Ordinance Chapter 82 M.G.L. c.7 §40	
(f)	Price and cost analysis	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor) M.G.L. c. 7C, §§ 44-57 - Public Building Projects Design Services M.G.L. c. 30B Procurement of Supplies and Services City Ordinance Chapter 82	
(g)	Awarding agency review		Not a requirement that needs to be matched (only complied with)

(h)	Bonds	M.G.L. c. 149 - Building Construction Contracts M.G.L. c. 149A – Public Construction Alternative Delivery Methods M.G.L. c. 30, § 39M – Pubic Works (Non-Building) Construction Contracts (with Labor) M.G.L. c. 30, § 39M or M.G.L. c. 30B – Construction Materials Procurement (without Labor)
(i)(1)	Contract terms, remedies for breach	Standard City Contract Language, Appendix A
(i)(2)	Contract terms, termination for cause and convenience	Standard City Contract Language, Appendix A
(i)(3)	Contract terms, compliance with EO 11246	Standard City Contract Language, Appendix A
(i)(4)	Contract terms, Copland anti-kickback	Standard City Contract Language, Appendix A
(i)(5)	Contract terms, Davis Bacon	Standard City Contract Language, Appendix A
(i)(6)	Contract terms, compliance with work hours and safety standards act	Standard City Contract Language, Appendix A
(i)(7)	Contract terms, notice of reporting requirements	Standard City Contract Language, Appendix A
(i)(8)	Contract terms, notice of patent rights requirements	Standard City Contract Language, Appendix A
(i)(9)	Contract terms, copyrights and rights in data	Standard City Contract Language, Appendix A
(i)(10)	Contract terms, access to books and records for audit	Standard City Contract Language, Appendix A
(i)(11)	Contract terms, retention of records	Standard City Contract Language, Appendix A
(i)(12)	Contract terms, environmental laws	Standard City Contract Language, Appendix A
(i)(13)	Contract terms, energy efficiency	Standard City Contract Language, Appendix A