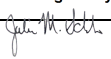




Procedures to Determine Timely Expenditures for CDBG-DR

City of Detroit

Housing & Revitalization Department (HRD)

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Procedures to Determine Timely Expenditures

Congress has set a six-year expenditure period on funds allocated through PL 117– 43 and PL 117-180 “Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG–DR Consolidated Waivers and Alternative Requirements Notice” indicates that “each grantee must expend 100 percent of its allocation within six years of the date HUD signs the grant agreement.” As a grantee of funds allocated through PL 117-43/PL 117-180 and given the rules stated by each Federal Register Notice, the City of Detroit has developed the following procedures to ensure timely expenditure of funds.

As the administrator of the CDBG-DR funding for the City of Detroit, the Housing & Revitalization Department (HRD), will ensure that all funds are expended and drawn down by the 6-year deadline. HRD will develop expenditure projections and milestones as part of the Action Plan process. These projections and milestones will serve as a roadmap to ensure the timely expenditure of funds. The City of Detroit uses an Oracle Accounting system to track grant budgets and expenditures and will use this system to track CDBG-DR. HRD is also a recipient of HUD’s Neighborhood Stabilization Program (NSP). The NSP program and the CDBG-DR both use the Disaster Recovery Grant Reporting System (DRGR) system. HRD has experience with this system and will use it to pull information about drawdowns. A Drawdown Projection Report, with data from DRGR, will be used in tandem with the Action Plan projections to ensure the pace of drawdowns and alignment with the six-year drawdown deadline.

Consistent drawdowns are essential for the City of Detroit’s cash flow and uninterrupted implementation of grant programs. The review of reimbursement requests is required to confirm the availability of funding and allowability with the subaward funding terms and conditions. The City of Detroit will follow the process outlined in the [SOP: Subrecipient Reimbursement and Drawdowns for HUD-Funded Grant Programs](#) to review and approve grant-funded invoices and draw down funding. HRD will accomplish this in coordination with the Office of the Chief Financial Officer (OCFO) partners.

Quarterly within 30 days of the QPR submission, the CDBG-DR Program Manager will meet with HRD management to discuss expenditures and drawdowns. These meetings will be used to ensure project compliance with the six-year expenditure deadline. During these meetings, the Program Manager will identify projects that may not meet the expenditure deadline. The Program Manager will provide recommendations regarding these projects that may be stalled. HRD management will review these recommendations as well as reassess any potential remaining unmet needs. HRD will then begin the process to reprogram funds to other activities in accordance with the [HRD Policy & Procedures for Reprogramming of HUD Funded Programs](#).

HRD and the OCFO will adhere to the [SOP: Program Income for HUD Funded Programs](#) to account for and manage any program income earned from the CDBG-DR award. The City of Detroit administers several grant programs that generate program income as a result of the award and activities performed. Program income is defined as any gross income received by the City or its

subrecipient that was directly generated as a result of grant funds. CDBG-DR program income must be reported in the DRGR system. If the city or a subrecipient of the city generates program income from administering a CDBG-DR funded program, it is subject to the terms and conditions as stated in the HUD regulations, the Grant Agreement, or the Subrecipient Agreement.

Contract Management

The City anticipates using contractors to deliver services for the CDBG-DR program. HRD and its program partner departments will be responsible for ensuring that all cost analysis, price analysis and scope of work, prepared by subject matter experts, are as accurate as possible upfront to avoid changes and delays during the project.

Once the scope of work is solidified, contractors will be competitively procured. HRD will work with the Office of Contracting and Procurement (OCP) and other program partner departments to ensure the procurement of contractors is timely by scheduling procurement planning meetings to set expectations of timelines, number of contractors and deliverables.

In addition, the professional services contracts (PSC) for CDBG-DR contractors will set expectations for deliverables and include timelines. A contract kickoff meeting will be held with each contractor to discuss prior to notice of commencement. All PSC's will include language allowing the City to cancel the contract at any time due to non-compliance, including compliance with timelines.

HRD CDBG-DR Program Staff will review contractor benchmarks and performance no less than quarterly to ensure program benchmarks are being met. When benchmarks are not being met, HRD and its program partner departments will develop remediation plans to address issues with the applicable contractors.

Subrecipient Oversight

The City does not anticipate using subrecipients for the CDBG-DR program. However, if that changes, this policy will be updated within 30 days of that change to reflect proper oversight of subrecipients to ensure timely expenditure of CDBG-DR funding.