



Procedures for CDBG-DR Programmatic Subrecipient Monitoring

City of Detroit

Housing & Revitalization Department

Division(s)	Department Wide
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Other COD Depts Affected (include contact name)	
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Signature	DocuSigned by: <i>Nicole Wyse</i>
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PURPOSE:

Per guidance and regulations from HUD, HRD will monitor all its subrecipients who receive funding through CDBG-DR. The use of subrecipients increases the likelihood that the program could at some point experience compliance issues, and therefore monitoring is an effective tool to use to ensure subrecipients comply with all regulations governing their administrative, financial, and programmatic operations. In addition, it allows HRD to ensure that they are meeting performance objectives and that the budget and schedule are on track.

This policy specifically addresses the monitoring of administrative and program operations performed by HRD. The City of Detroit's Office of the Chief Financial Officer (OCFO) – Office of Development and Grants (ODG) will monitor the financial operations.

PROCEDURE:

Risk Analysis

A Risk Analysis assesses the Subrecipient's capacity to be successful (2 CFR 200.331). The HRD assigned program manager conducts a risk assessment on each Subrecipient, identifying Subrecipient's that pose the greatest risk (fraud, waste, mismanagement, or lack of capacity) to the integrity of program. This process includes identifying the Subrecipient's to be monitored (onsite or remotely), the program areas to be covered, and the depth of the monitoring review.

Program managers are responsible for identifying which Subrecipient will be monitored, the method (onsite or remote), the type of monitoring (in-depth or limited), if technical assistance or training is needed and the projected timeframe.

The first Risk Analysis is to determine the monitoring level (High/Medium/Low) for each Subrecipient. The project manager will utilize a rating factor using points starting from zero (0) for the lowest risk and five (15) for the highest risk for each reviewed category. Once an individual Subrecipient score is tallied, a final ranking for each agency will be determined through a meeting of the division's staff. Centered on the outcome of that meeting, a selection of Subrecipient's will be assigned for monitoring based on their overall ranking and the division's resources (will be assigned for monitoring).

Selection for programmatic monitoring is not based solely on scores and ranking outlined in the Risk Analysis. CDBG-DR staff may select an agency with a lower risk for monitoring because of unique circumstances or a specific risk factor that may reveal a need for a program or project monitoring.

Risk Analysis may be completed during the Notice of Funding Available (NOFA) evaluation process or before the execution of the subrecipient agreement.

Program staff will provide technical assistance to the subrecipient throughout the life of each project. Monitoring and technical assistance will be focused on the following objectives:

- Reviewing and monitoring funded projects for compliance with Federal regulations, funding requirements, and program policies and procedures
- Providing guidance for continuous improvement of program delivery
- Assistance in identifying and preventing issues
- Setting program performance standards
- Completing and providing necessary reporting for HRD
- Ensure the quality of the financial management process
- Reviewing quarterly expenditures and outcome performance measures

SCHEDULED PROGRAM MONITORING:

Once a sub-recipient has been identified for an on-site program monitoring, a monitoring date is established with the sub-grantee (Subrecipient). Formal communication is forwarded to the organization at least two (2) weeks prior to the scheduled visit (where possible), confirming the meeting date, purpose, as well as advising of specific documents, processes and areas subject to review. During this visit, staff will verify that the programs outlined in the contract scope are being carried out as described in the agreement, as well as review documentation, conduct interviews with staff, and complete site inspections. The HRD staff conducting the program monitoring shall inform the Subrecipient of any program findings and/or concerns within thirty (30) days after the conclusion of the monitoring visit.

UNSCHEDULED/SCHEDULED PROGRAM SITE VISIT(S):

Unscheduled Site Visit:

Staff performing an unscheduled site visit shall consult the Subrecipient's agreement to confirm the location and operating hours of the program. During this visit, staff will verify that the programs outlined in the Subrecipient scope are being carried out as described in the Subrecipient agreement. Program staff will review client and staff sign-in sheets and confirm the program is operating within the Subrecipient's scope and budget.

Scheduled Site Visit

Staff performing a scheduled site visit shall arrange a mutual date and time, by letter, with the Subrecipient at their program location. An entrance letter shall be sent by the project manager at least two weeks prior to the site visit outlining the documents and issues, and areas that will be reviewed. This visit will be scheduled during the normal operating hours of the Subrecipient to ensure the program is conducted during the hours as outlined in their proposal/scope of services. During any declared health emergency, pandemic or stay home/stay safe orders issued by the County, State, City or Federal Government all scheduled visits will be conducted in accordance with those orders taking all health care precautions.

Desk Monitoring

Desk Monitoring is performed on each contract award to ensure the standards and requirements are met according to the Subrecipient agreement, department policy, and regulatory requirements. Assigned program managers complete a Desk Monitoring Review Checklist that includes reviews of support and reimbursement documentation, as well as Subrecipient policies outlined in the Subrecipient agreement. Feedback regarding Subrecipient operations are communicated through deficiency letters and other documentation, as needed. During any declared health emergency, pandemic or stay home/stay safe orders issued by the County, State, City or Federal Government the primary monitoring of Subrecipients shall be a desk monitoring.

RESOURCES:

<https://files.hudexchange.info/resources/documents/CDBG-Subrecipient-Oversight-Guidebook-Monitoring-Strategies-and-Procedures.pdf>

Attachments:

APPENDIX A: Update Summary

APPENDIX B: Distribution & Training Plan

APPENDIX C:

APPENDIX D:

APPENDIX A

Update Summary

The following lists the changes to this policy/procedure since the last approval:

Policy/Procedure Section	Change
Procedure	Added Risk Analysis
Appendix	Added update summary and training plan

☐ No changes – this is a new policy/procedure

APPENDIX B

Distribution & Training Plan

The following lists the Distribution & Training Plan for this policy/procedure:

Item	Description	
Implementation Leader	<i>Individual responsible for distribution and training of the P&P (likely the P&P Author).</i>	Gordon Pearson
Audience	<i>List of teams/roles/entities for which P&P applies; this includes HRD, OCFO, and other COD staff (e.g. Law), as well as external partners (e.g. subrecipients and contractors).</i>	CDBG-DR programs, including Public Facility Rehab , Detroit Housing Commission, Down Payment Assistance
Distribution & Training Plan	<i>Distribution Method (likely Email):</i>	Email
	<i>Anticipated Distribution Date:</i>	The policy will be sent annually by email to existing employees who work with CDBG-DR Funding within 7 business days of the new approval date. New employees will receive the policy and any related training within 90 days of their start date.
	<i>Distribution Recipients:</i>	New and Existing Program, and Subrecipients
	<i>Training Required (Yes/No):</i>	Yes
	<i>Training Method (Virtual, In-Person, All-Staff Meeting):</i>	Virtual or In-Person
	<i>Anticipated Training Date:</i>	New employees will receive any related training within 90 days of their start date. Existing employees who work with CDBG-DR funding will be trained within 7 business days of the new approval
	<i>Training Recipients:</i>	New and Existing Program Staff