



# Getting Started with Your CDBG Project

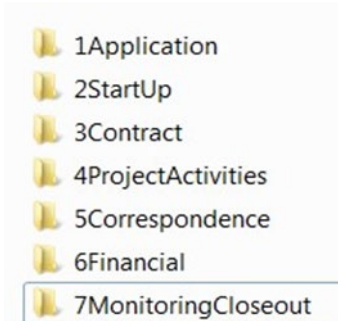
## **Toolkit Overview**



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## Tips for organizing your CDBG Project File

1. Print the CDBG getting started checklist in this toolkit.
2. Set up an electronic file based on the format below and refer to the sample CDBG project file organization chart in this toolkit for additional guidance on how to organize the documentation required in your project file. Example:



## Startup Conditions

Prior to executing a CDBG contract, the grantee must meet the following startup conditions:

1. Submit an updated project budget.
  - a. Administrative costs are generally related to carrying out the project.
    - i. Examples include legal costs, office, personnel, professional services and bond counsel. Activity costs include architect/engineer, construction and contingency. Other costs for both categories should be included.
  - b. Refer to resources below on eligible CDBG costs.
  - c. CDBG Housing will need the uniform application finalized.
  - d. If the project involves program income, a program income plan needs to be completed. Please consult a project specialist and our program income manual.
  - e. For further guidance, please refer to Chapter 5, "Financial Management".
2. Submit an updated project implementation schedule.
  - a. Contact Commerce or your project specialist for information on expenditure dates for your project.



- b. All contract startup terms and conditions should be completed within nine months of the date of the award letter.
  - c. The implementation schedule should have startup conditions and environmental review completed before procurement and construction tasks begin.
  - d. Which level of environmental review is needed will determine the length of time it may take to complete getting started items before any choice-limiting actions are made. Also, timing for the public comment period(s) must be considered, because this is done before Commerce will provide the authorization to use grant funds for the project.
  - e. Consider other items that may impact the timeline, such as seasonal construction peaks, supply chains, contractor availability and capacity.
  - f. Commerce has an implementation schedule template.
3. Submit a project management plan.
- a. All CDBG grantees must prepare and submit a project management plan. The management plan is a guiding document that designates all the persons responsible for ensuring compliance with various CDBG requirements including, but not limited to, financial management and preparing requests for reimbursement, labor standards and completion of environmental review.
  - b. For easy reference, the management plan should include the name, phone number and email address for each person designated.
  - c. In the management plan, the grantee may designate a specific person or position within the agency, such as the chief financial officer, public works director or clerk, to serve in specific roles, or the grantee may procure consultants to carry out tasks on the grantee's behalf. Please follow CDBG requirements prior to procuring a consultant to carry out grant administration tasks or provide professional services for the project. Consultant or professional services procurement are more fully explained in Chapter 4 of the manual and in our "Procurement" toolkit.



4. Submit documentation of firm commitments of non-CDBG funding sources. A list of acceptable documentation for common sources of funding is included with this toolkit.
5. Grantees must comply with federal and state financial reporting and audit requirements with the Montana Department of Administration's Local Government Bureau, because Commerce will check compliance.
6. The grantee must establish a financial accounting system and complete audit requirements.
  - a. Refer to section 2-7-504 of the BARS system.
  - b. Grantees must be registered in SAM with a UEI number and have a federal tax ID number, or EIN.
  - c. Refer to Chapter 5, "Financial Management".
7. Execute the CDBG contract.
  - a. The contract between the grantee and Commerce can be executed once all the above items have been submitted. Contracts are routed via DocuSign.
  - b. The project specialist will email the grantee to confirm the following information:
    - i. Chief elected official: mayor or chairperson
    - ii. Approver: lawyer
    - iii. Liaison: grantee or contract out grant administrator
    - iv. Attester: city or county clerk
  - c. If the approver would like to not sign, but only review the contract, please let the project specialist know.

## Special Contract Conditions and Other Items to Get You Started

1. Insurance Certificates: Once the contract is executed, the grantee must submit copies of its insurance certificates identifying Commerce as an additional insured for each policy period covering the duration of the CDBG contract. Please submit certificates for the following types of coverage to your CDBG project specialist:



- a. Workers' compensation
  - b. General liability
  - c. Professional liability
  - d. Property, for construction projects only
2. The electronic funds transfer form 204, available in the "Request for Reimbursement" toolkit, must be submitted to confirm banking information for all payments. Federal regulations prohibit local governments from earning interest on CDBG funds deposited into the local government's account for the grant. If the grantee pays invoices with the grant funds, not reimbursing themselves, the funds must be deposited into a non-interest-bearing account. This stipulation is not required if grantees pay invoices directly and use the CDBG funds to reimburse their accounts.
3. The signature certification form identifies and authorizes at least two signers for requests for reimbursement. This form is also available in the "Request for Reimbursement" toolkit.
4. Civil rights
  - a. The grantee is required to submit documentation demonstrating compliance with the following for all CDBG grants, except for CDBG Planning Grants:
    - i. Equal employment opportunity policy and poster
    - ii. Fair housing resolution and poster
    - iii. Hatch Act resolution
    - iv. Section 504 and ADA-complaint procedures
    - v. ADA self-evaluation inventory and transition plan
  - b. If a grantee received a CDBG construction grant in the past, Commerce may use the civil rights documents from the previous project file. Please work with the assigned project specialist for past civil rights documentation or to submit updated civil rights documents.
5. Environmental review

- a. Please refer to Chapter 2 of the CDBG manual and the “Environmental Review” toolkit for detailed instructions on completing the environmental review.
6. Involving the public
  - a. Citizens should be provided with reasonable, accessible and timely access to local meetings, information and events.
  - b. If the project involves the media, press releases or events, please contact your assigned project specialist for guidance.

## Additional Considerations

1. Budget authority resolution
  - a. Montana law requires local governments to appropriate, by resolution, all CDBG funds received, regardless of the time the funds are received. The resolution should state the source of funds, the program in which they will be expended, and the effective date of the appropriation per 7-6-4006, MCA.
  - b. A template for a budget authority resolution is included with the “Getting Started” toolkit.
2. Interlocal and sub-subrecipient agreements
  - a. If the completed project will be owned and operated by another government entity or nonprofit organization, the grantee must execute an agreement outlining for which CDBG requirements each entity will be responsible.
  - b. A variety of agreement templates are provided in the “Getting Started” toolkit. Grantees can execute an interlocal agreement with districts and other government entities, and sub-recipient agreements with nonprofits and for-profits.
  - c. Please work with your attorney to ensure compliance with state and federal requirements. Applicable CDBG requirements can be found in [CFR 570.503](#).

## Tools and Resources

- Eligible CDBG costs: [ch2tabl.pdf at hud.gov](#).



- SAM and EIN: [sam.gov](https://sam.gov)
- How it works at [docusign.com](https://docusign.com)