

CHAPTER 14

CERTIFIED GRANT ADMINISTRATOR (CGA) PROGRAM AND CERTIFICATION POLICY

INTRODUCTION

Community Development Block Grant (CDBG) funds may be available to assist the Unit of General Local Government (UGLG) with the management of its CDBG Grant Agreement. A Certified Grant Administrator (CGA) is an individual who undergoes MEDC training and holds an active administrator's certificate to assist the UGLG with meeting CDBG compliance requirements including federal and state statutes regulations, and policies. UGLG's must have a Certified Grant Administrator on staff or procure a CGA consultant to utilize MEDC funding. The UGLG's may request with approval of the Program Specialist and Director to opt out of using CGA for CDBG grant projects. The UGLG and Program Specialist will identify compliance on CDBG projects to determine the need of a CGA for areas of compliance. UGLG's grant administrators cannot be counted as match for the project. Administrative dollars are not available for UGLG employees unless there is a contract outlining specific duties. Federal regulations do not allow CDBG funds to be used to supplant local funds.

SECTION 1 – DEFINITIONS

As used in this policy:

"CDBG" means the State of Michigan's Community Development Block Grant program administered through the Michigan Economic Development Corporation, hereinafter referred to as "MEDC"

"Certified Grant Administrator" means any individual who holds an active MEDC administrator's certificate.

"Debarment" or "debarred" is a process by which an administrator's certificate is revoked or non-renewed.

"Director" means the Director of the Community Development Block Grant of the MEDC.

"Division" means the Community Development Block Grant Division of the MEDC.

"HUD" is identified as the U.S. Department of Housing and Urban Development.

"MEDC" means Michigan Economic Development Corporation

"MSF" means Michigan Strategic Fund

"Program Specialist" means MEDC Community Development Block Grant staff

SECTION 2 – POLICY

The efficient administration of grants is important for the growth and vitality of community and business initiatives in Michigan. Well-trained Certified Grant Administrators are critical to the proper functioning of the Community Development Block Grant (CDBG) program. All individuals, not employed by the State, who administer MSF CDBG fund awards in Michigan, must receive a Certified Grant Administrator (CGA) certification. This may be accomplished by attending training and successfully completing a written examination offered by the MEDC. The process and policy of certifying and decertifying grant administrators ensures the best possible stewardship of federal Community Development Block grant funds administered by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund (MSF). CDBG related projects will be administered by Certified Grant Administrator individuals adhering to generally uniform work habits and guidelines. The MEDC reserves the

right to revise and update this policy at any time and will notify the Certified Grant Administrators as revisions and updates occur.

CGA RESPONSIBILITIES

Certified Grant Administrators are responsible for assisting the City, Village, County and MEDC with the grant administration of the CDBG project. The MEDC provides the administrative funding for the CGA to assist the local unit of government and MEDC with administration of a CDBG project. CGA's are not the advocate for the building owner or contractors on CDBG projects.

CGA's responsibilities are limited to the following compliance:

Environmental Review

- A. If the Determination Level for Environmental Review is *Exempt* or *Categorically Excluded Not Subject To 58.5*, the Certified Grant Administrator can assist the UGLG in the preparation of necessary Environmental Review documentation. If the Environmental Review level is determined to be *Categorical Excluded Subject to 58.5*, consultation with the CDBG Project Specialist is required.
- B. If the Environmental Review level is determined to be an *Environmental Assessment* or an *Environmental Impact Statement*, all Environmental Review documentation will be created by qualified Consulting Agency(ies) and SHPO and collected by the UGLG and Certified Grant Administrator.
- C. Assist UGLG in providing documentation to CDBG Program Specialist for environmental release of funds for the awarded project.
- D. If the Scope changes for a project, assist the UGLG in creating Environmental Review Amendment materials for review by the CDBG Specialist.

Procurement/Contracts. Labor Standard Insert, Wage Determinations (General Contractors, Sub-Contractors)

- A. Provide required procurement reports and assist the UGLG in obtaining approvals from MEDC as appropriate.
- B. Collect and File procurement records including selection process, advertisements, reasons for selections, minutes of bid openings, etc.
- C. Collect and file contract agreements between UGLG and the Selected Contractor. Collect and file insurance documentation related to the selected contractor.
- D. Provide SAM and HUD Limited Deniability Checks related to selected contractor.
- E. Collect and File Section 3 documentation.

Labor Standards. Payroll Review: Davis Bacon Wages and Fringe, Employee Interviews

Non-Davis Bacon Projects:

- A. Assist project architect or engineer in bid document preparation to ensure bid specification documentation is consistent with state and federal regulations.
- B. Check payroll documentation.
- C. Review Contractor Payment Application materials and ensure that Supplies and Labor Amounts are present on all categories for reimbursement.
- D. File contractor clearances, specific to applicable Lead and Asbestos Abatement
- E. Monitor administrative paperwork to ensure compliance with equal opportunity, labor provisions, and Section 3 requirements.
- F. File any inspection reports related to the project.

Davis-Bacon Projects:

- A. Assist project architect or engineer in bid document preparation consistent with state and federal regulations.
- B. Secure the Department of Labor's federal wage decision and include it in the bid documents.
- C. Review construction contracts to ensure they comply with state and federal regulations. Examples of regulations include the following: Conflict of Interest, Access to Records, Copeland Anti-Kickback Act, Safety Standards, Architectural Barriers, Flood Insurance, Clean Air and Water Act (for contracts over \$100,000), HUD Handbook (6500.3), 24 CFR 85.36, Section 3, Section 109, Title VI, Civil Rights Act, EO 11246 (for contracts over \$10,000), Section 504, etc.
- D. File contractor clearance(s), specific to applicable Lead and Asbestos Abatement.
- E. Check weekly payrolls and complete Payroll Review Worksheet to ensure compliance with federal wage decision(s) with wage and fringe benefit information. Review payroll documents to ensure the following supplemental

documents are provided, if applicable: Apprentice Compliance, Independent Contractors, Payroll Restitution.

- F. Conduct on-site interviews and compare the results with the appropriate payrolls.
- G. Monitor administrative paperwork to ensure compliance with equal opportunity, labor standards provisions, and Section 3 requirements

Grant Reporting Documentation. Prepare, receive, and submit signed grant metric reports from the UGLG. Those reports can include: Audit Reports, Job Creation Reports (if applicable), Progress Reports and Milestones.

Payment Submittal. Provide support documentation for Disbursement Requests. Support documentation can include, but are not limited to the following:

- 8A Disbursement Request Form
- 8B Invoice Summary Report
- Invoices/Proof of Services detailing Labor and Supplies Amounts
- Contractor Statement or Contractor Waiver
- 10-N Payroll Deduction Authorization (as applicable)
- 10-O Record of Employee Interview (as applicable)
- SAM and HUD Deniability List Information for New Subcontractors on the Project
- Review Change Orders submitted by the UGLG

Monitoring and Close Out

- A. Attend and Assist UGLG during the MEDC's monitoring visit(s).
- B. Assist with close-out documentation

National Objective Compliance, Surveys, and Income Verification Requirements

- A. For job creation: File semi-annual employment data and associated income certification forms
- B. For blight elimination: File local building inspector letter certifying the project eliminated specific conditions of blight
- C. For housing projects: File the Certificate of Occupancy. Collect and file lease information showing that at least 51% of the rental units are leased to low-income households.
- D. Compliance, Surveys, and Income Verification Reports are not required for area benefit projects based on population.

SECTION 3 – CERTIFIED GRANT ADMINISTRATOR CERTIFICATION

All individuals, not employed by the State, who administer MSF CDBG fund awards in Michigan, must receive a Certified Grant Administrator (CGA) certification. This may be accomplished by attending training and successfully completing a written examination offered by the MEDC. The MEDC will publicize Certified Training opportunities and requirements for certification a minimum of 60 days prior to the scheduled training.

SECTION 4 – CERTIFIED GRANT ADMINISTRATOR IN GOOD STANDING

To avoid probation or decertification, a CGA shall remain in good standing. A CGA is considered in good standing by achieving the following objectives:

1. Assist UGLG in meeting any conditions noted in the grant agreement.
2. No more than two general findings either by the UGLG or MEDC.
3. Assist the UGLG in the timely submissions of all documents and forms required by the CDBG program.
4. Assist the UGLG in ensuring all deficiencies noted in the monitoring letter are resolved within 30 days.
5. Ensure that the same CGA deficiencies do not occur in multiple UGLG monitoring letters.
6. Attend the mandatory amount of continuing education classes each year.

Please note: That grant writing or grant packaging will not be part of probation or decertification. The list is not all-inclusive and is subject to change with notice as we all work to ensure that the highest quality administrators are working for MEDC CDBG UGLG's.

SECTION 5 – CERTIFIED GRANT ADMINISTRATOR PROBATION

The CDBG Director may place a CGA on administrative probationary status for a period of up to one year if the CGA has accumulated three “Good Standing” violations. The “Good Standing” objectives outlined in Section 8 are considered violations. The CDBG program specialist shall document reasons for the probationary status. The CGA may continue to administer current CDBG contracts to which they are a party but may not enter into new contracts during the probationary period. No appeal shall be allowed of probationary status. After one-year of probationary period the CGA holder may be fully reinstated if there are no further documented “Good Standing” violations within that period. If other “Good Standing” violations are documented, the probationary period ends, and decertification process will proceed. Should the CGA's certification expire during the one-year probationary period, the individual shall be allowed to participate in the recertification process and receive recertification, if other requirements are met. This does not nullify the probationary status.

SECTION 6 – CERTIFIED GRANT ADMINISTRATOR LEAVING THE CERTIFICATION PROGRAM, EITHER BY CHOICE, FAILURE OR DECERTIFICATION

Should a CGA leave the certification program for any reason, it is a mutual decision by them and the UGLG to complete any grant administration on which they are the CGA under contract and that is more than 50% complete based on monies spent on the date of the CGA leaving the program. If either side wishes to terminate the contract, it may do so based on the circumstances of the certification requirement. If the project is not complete, the contract must be terminated and services of a currently certified CGA must be obtained.

If an UGLG plans to terminate any contract due to loss of a CGA certification, the termination could be subject to a monitoring by the MEDC of activities to date and/or the resolution of all monitoring findings made during the time that CGA was under contract. A CGA consultant agency under contract with a UGLG may not be subject to this requirement if the project can be assigned to another CGA on staff at the time of loss of the certification by the first individual CGA.

SECTION 7 – CERTIFIED GRANT ADMINISTRATOR DECERTIFICATION

A CGA may be decertified because of actions that include but are not limited to:

1. Consistently bypassing federal or state policies and regulations.
2. Inappropriate measures resulting in de-obligation or refund of grant awards.
3. Two or more substantiated written complaints filed by the UGLG, agent, an elected official, or other individual involved in the implementation of federal grants.
4. Poor performance by the UGLG as documented through consistent grant extensions, modifications, project delays, and unresolved monitoring issues.
5. Undisclosed blatant conflict of interest, which results in the loss of a contract.
6. Additional violations while on probation.
7. Failure to complete or submit to a recertification examination.

8. Engaging in, or the conviction of, any crime defined in the state penal code which involves moral turpitude, including but not limited to crimes of violence, sexual offenses, breach of trust, indifference to a legal obligation, or a serious interference with the administration of justice. This subsection shall not apply unless such crime shall have been committed after certification.
9. Engaging in conduct involving significant dishonesty, fraud, deceit, or misrepresentation whether or not such activity is a crime.
10. Engaging in any conduct significantly prejudicial to the administration of CDBG programs or grants.

The MEDC reserves the right, with cause, to add to this list any actions MEDC feels are detrimental to the efficient conduct and timely execution of the grant award attributable to the performance of a CGA. Decertification will not take place without due process. An appeal procedure has been established to address the decertification process. However, MEDC will enforce the policies set forth in the Grant Administration Manual to ensure the appropriate administration of grants and the preservation of Michigan's communities' use of CDBG funds.

SECTION 8 – DECERTIFICATION PROCESS; NOTICE; DIRECTOR'S OPINION

The decertification process shall begin with written notice by the Director or Director's designee mailed to the CGA that the MEDC is seeking decertification. Such decertification shall include: (1) a statement of the reasons for the proposed decertification, and (2) a statement that the CGA is entitled to a Director's Opinion on the matter.

Upon receipt of the Notice, the CGA may request a Director's Opinion on the proposed decertification by a written statement that will answer specifically the allegations. Such filing shall occur with the Director within 15 calendar working days from the date decertification notice was received and in no event more than 20 calendar working days from the date of the Notice.

The Director or Director's designee shall notify the CGA what information is required at what time to receive a Director's Opinion.

Failure to respond to written decertification notices from the Director will result in Decertification.

SECTION 9 – DIRECTOR'S OPINION

1. The Director shall insure there is adequate time for the CGA to provide documents requested by the Director or Director's designee that support the CGA's position. At least 20 calendar days before the deadline date, the parties shall exchange each with the other: (a) a summary of such party's position regarding the complaint in the notice of decertification, (b) a list of documents and affidavits the party intends to use for the Director's Opinion, and (c) copies of such documents.
2. To render the Director's Opinion, the CGA shall present evidence to the Director in a written statement of their positions in the matter and may present evidence directly or through documents.
3. The Director's Opinion shall not be bound by any rules of evidence; however, the burden of proof shall rest upon the MEDC. All relevant information and evidence is admissible, except that the Director may exclude any offered evidence if they believe that the probative value of the evidence is substantially outweighed by the fact that presentation of the evidence will necessitate an undue consumption of time, is unduly repetitive of other testimony or is intended to embarrass the other party rather than provide probative evidence of the allegations in the complaint.

SECTION 10 – DIRECTOR'S OPINION, FINDINGS OF FACT, RECOMMENDATIONS

1. Unless otherwise agreed to by the parties, the Director shall render written findings of fact and provide a conclusion of such facts in a Director's Opinion. Such opinion shall constitute the decision of the Director.

2. The Director will insure that the review of information and execution of Director's Opinion is orderly, and render a fair and impartial decision based on evidence presented whether to recommend the Department decertify such CGA based on the allegation in the Notice and the information and evidence presented.
3. A decision by the Director in favor of the CGA shall not prohibit the Director or Director's designee from alleging violations sufficient to cause another Notice in the future. However, if the Director decides in favor of the CGA, evidence presented at the previous decertification's shall not be offered or used by either party.

SECTION 11 – MONITORING AND PERFORMANCE EVALUATION

The goal is to ensure that the CGA knows exactly what their CDBG Program Specialist will review at a monitoring visit. The timely submittal of documents and forms will be emphasized. Examples of these documents will include, but are not limited to: Quarterly Reports, Progress Reports, Job Summary Reports (if applicable), Section 3 Reports (if applicable), and Contractor Verification of Eligibility. The monitoring letters may identify three different areas: UGLG Findings, General Findings and Concerns.

UGLG Findings are those requirements that are the primary responsibility of the City or County. A UGLG finding will not be counted against the CGA. An example is as follows: the City did not issue payment within three working days; however, payment was made on the sixth day. This does not mean the CGA can ignore this requirement. If the CGA has not overseen this issue and payment was not made for 30 days, it would be a UGLG Finding as well as a General Finding. UGLG Findings will not appear on the CGA's record.

General Findings are those requirements that are the primary responsibility of the CGA that cannot be corrected. An example is a Quarterly Report that was not submitted by the deadline.

Concerns are something that can be corrected. Most issues found during monitoring visits will fall under this area. The CGA will have 30 days from the date of the monitoring letter to resolve a concern. If the concern is not resolved within 30 days, it becomes a General Finding.

A General Finding will remain on the CGA's record for a three-year period. A General Finding will only be removed from the tracking after a three-year period.

Three documented General Findings may result in probationary status. (See Section 8). The CGA will be notified in writing of their potential probationary status. The tracking of these deficiencies are public record.

If a CGA is on probation and wishes to recertify, the CGA must seek authorization to attend class by written request to the CDBG Director. Depending on the nature of the findings, authorization to attend the recertification class may or may not be granted.

SECTION 12 –CONTRACT BETWEEN CERTIFIED GRANT ADMINISTRATOR AND UGLG

The UGLG and CGA must execute a contract agreement between the two parties outlining the roles and responsibilities of each party.

The search for an effective CGA in the very early stages of project design when UGLG's explore the ramifications of grant management on staff time and available resources. To assist our UGLG's in their self-assessment and possible decision to begin

the search for a CGA, the MEDC encourages consideration of the following processes to ensure due diligence in the procurement of certified grant administrators.

1. Know your own program; as the UGLG, you are still responsible for compliance with the terms of the grant agreement and regulations governing allowable expenditures.
2. Use proper procurement standards in the hiring of outside consultants (Refer to the procurement process explained below and in the GAM Chapter 4).
3. Present a comprehensive list of tasks/skills in your written Request for Proposals.
4. Ask for evidence/documentation of: experience administering CDBG housing projects, program knowledge, financial stability, staff capacity, training, etc. Documentation must include contact names and phone numbers.
5. Verify the information presented in responding proposals.
6. Use clear and succinct written agreements. Be sure that your selected Certified Grant Administrator understands the responsibilities required under the proposed contract (Refer to the procurement process explained in the GAM Chapter 4).
7. Take stock of your internal staff capacity to perform CGA activities that are required of the UGLG; assign a staff person for being liaison to your CGA (this person should understand grant administration manual, federal requirements, etc.).
8. The UGLG must actively participate in the project. The CGA is there to assist but the grant recipient is the UGLG.
9. Establish and enforce active, ongoing, progress and financial reporting responsibilities for your project.
10. Make sure you have easy access to the MEDC Grant Administration Manual where forms and program requirements can be located.
11. Plan with your CGA for the completion of milestones and desired results.
12. Document everything. (This is Murphy's Law: The item HUD or MEDC wants as evidence of compliance is the exact document you thought you could get away with not completing.)

SECTION 13 – CERTIFIED GRANT ADMINISTRATOR PAYMENT

Payment to the CGA is based on negotiated terms between the UGLG and the selected certified grant administrator, which could be based on:

1. Reimbursement from the UGLG; or
2. The UGLG's drawdowns from the Michigan Economic Development Corporation (MEDC).

CDBG Disbursement for CGA administrative expenses will not happen until:

3. The environmental review has been completed;
4. The grant agreement has been executed;
5. The pre-disbursement requirements in the Grant Agreement and any items requested by the CDBG Director have been submitted and approved by the MEDC;
6. The executed administrative contract has been forwarded to the MEDC;
7. The grant Disbursement Request/supporting documentation has been submitted and approved by the MEDC.

8. CGAs must provide an administrative activity report when requesting payment for their services which must contain the following information: Employee name; Pay period, Hours worked each day; Employee signature, Supervisor signature (if applicable); and a Description of CDBG activities worked on.

CHAPTER 14 FORMS

- 14-A Procurement Process for Selecting a Certified Grant Administrator
- 14-B Certified Grant Administrator Request For Proposal Sample