STATE OF CALIFORNIA
CDBG-DR and CDBG-MIT

MEMORANDUM FOR: Technical Assistance for monthly Financial Management Workbook completion

FROM: Civix GM Team

SUBJECT: Financial Management Workbook Do's and Don'ts

I. Financial Management Workbook Do's and Don'ts

<table>
<tr><th>#</th><th>Example</th><th>Solution</th></tr>
<tr><td>1.</td><td>A Financial Report includes multiple costs for reimbursement: multiple staff person costs and multiple invoices. The upload in Grants Network is one PDF with all supporting documents in the same file.</td><td>Each cost for reimbursement must be listed individually on the Expenditure tab of the Workbook. Each line item listed on the Expenditure tab should have an individual upload associated with it.

In the example screenshot below, the Grants Network financial report would have one upload for each of the line times listed:
<table>
<tr><td colspan="4">Description of Claims for Reimbursement:</td><td></td><td></td><td></td></tr>
<tr><th></th><th>Category</th><th>Service Period</th><th>MTDC</th><th>Expenditure Name</th><th>Service Description</th><th>Amount</th></tr>
<tr><td>1</td><td>Activity</td><td>5/5/2023</td><td>No</td><td>Supplies</td><td>Supplies Inc - Invoice #459</td><td>$ 500.00</td></tr>
<tr><td>2</td><td>Activity</td><td>6/8-6/26</td><td>No</td><td>Contractor - Construction</td><td>Construction Co - Invoice #983</td><td>$ 20,000.00</td></tr>
<tr><td>3</td><td>Activity Delivery</td><td>5/1/-5/14</td><td>No</td><td>Payroll</td><td>John Smith - 5/1-5/14</td><td>$ 200.00</td></tr>
<tr><td>4</td><td>Activity Delivery</td><td>5/1-5/128</td><td>No</td><td>Payroll</td><td>Jane Doe - 5/1-5/28</td><td>$ 700.00</td></tr>
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<tr>
<td>2.</td>
<td>A Financial Report includes multiple costs for reimbursement: multiple staff person costs and multiple invoices. The costs listed in the Expenditure tab are all named similarly (i.e., “invoice” or “staff time”) and do not have any distinguishing information. The uploads to Grants Network are similarly vague.</td>
<td>Each cost listed on the Expenditure tab should have a name or information that distinguishes it from the other costs. Additionally, each line name description in the Expenditure tab should clearly align with an upload in Grants Network. HCD does not have upload naming convention requirements, but the uploaded files should be similarly named to the corresponding item listed in the Expenditure tab.

In the example screenshot below, the Grants Network financial report uploads should have a file that matches each line item under Service Description.
<table>
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<td>3.</td>
<td>A reimbursement request includes multiple invoices, and the invoices correspond to multiple project budget line items. The subrecipient completes the Expenditure tab related to the project budget line items and splits up the invoices.</td>
<td>Each item listed on the Expenditure tab should relate to a single cost (payroll cost, supplies cost, invoice cost, etc.) even if that cost is related to more than one project budget line items.

In the example screenshot below, the Construction Co. invoice may relate to work completed for multiple project budget line items. The contractor submitted one invoice to the subrecipient for that work so the sum of that cost, as reflected on the invoice, is reflected on the line item. Note: If it is not clear which cost amounts are related to which</td>
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<td>invoice, the financial report will be returned.
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<td>4.</td>
<td>A reimbursement request is submitted that includes a contractor invoice for work that is not 100% paid by the CDBG-DR/MIT project.</td>
<td>Requests for a partial reimbursement of an invoice or contract must be clear as to which portion of the invoice or contract is associated with a CDBG-DR/MIT project. CDBG-DR/MIT associated costs must be reflected by invoice annotations, Grants Network narrative describing the purpose of the partial payment, or itemized invoices from vendors that clearly identify CDBG-DR/MIT work.</td>
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J. Lucas	Participation in zoom meeting with HCD and county staff regarding **CDBG-DR-MHP0006** Danco/Acorn Plaza project application regarding site appraisal, obtaining certification for project, work on draft developer agreement.	4
J. Lucas	Follow up work with Covelo Friends of Round Valley Library coffee shop loan, **CDBG PI RLF**.	1.5
D. Swartz	Reviewed invoices and documentation, completed **CDBG CV-2&3** financial and activity reports uploaded to eicivis. Completed same reports and upload for **CDBG PI RLF** Program.	3
J. Lucas D. Swartz	Competed **CDBG CV-1** program modification/amendment process, obtained approval from HCD.	4
J. Lucas	Assistance with preparations for **CDBG 2022 NOFA** application notices, process, timeline to county staff. Reviewed NOFA, participation in HCD weekly office hours zoom meetings.	5

Subtotal 47 @ $145/hour = $6,815.00

Invoice Total = $6,815.00

CV1- 12
CV2&3 - 3
MITRP - 1.5
PI RLF 3.5
CDBG MLIO 2021 - 6.0
CDBG 2021 NOFA - 17
DR MHP0006 - 4

Options to identify the CDBG-DR/MIT work in an invoice:

- Code/label the work as CDBG-DR/MIT or using the grant number.
- Highlight the work/tasks related to the CDBG-DR/MIT project for the reimbursement request.
- Redline the work/tasks that are NOT related to the CDBG-DR/MIT project for the reimbursement request.
- Provide narrative that identifies why the total invoice/expense describing the purpose of the partial payment.

5.	A Financial Report is submitted with $100,000 in costs requested for reimbursement relating to multiple cost types and sources. No explanation or background is provided in the Grants Network Financial Report Narrative field.	The Grants Network Financial Report Narrative field is used by an HCD reviewer to gain an initial understanding of what the reimbursement request includes and anything that may be unique about the request. Information that may be helpful to share with HCD in the narrative field: • Explanation for an invoice that will not be 100% paid by the CDBG-DR/MIT project. • Explanation for why an invoice relating to the reporting period may be submitted at a future date. • For zero-dollar reports, explain why there is no reimbursement request (i.e., no work performed or under the $1,000 threshold) and when the subrecipient anticipates next submitting a non-zero request.
6.	Cost line items in the Expenditure tab are miscategorized as Activity or Activity Delivery.	Review the classification of Activity vs. Activity Delivery costs in the Expenditure tab prior to submitting the Coversheet form for your authorized representative’s signature. If a cost is submitted as “Activity” and is really an “Activity Delivery” cost (or vice versa), the Financial Report will be returned for corrections. The approved project budget should be used to confirm cost classifications.
7.	Don’t provide the Financial Reporting Workbook, and other Excel-based files, only as a PDF.	While the coversheet of the workbook and the timesheet tab, if applicable, require a signature and should be converted to a PDF, the Workbook should always be provided as an Excel. Any supporting documentation (i.e., timesheet/payroll reports) that originates as an Excel file should be provided as an Excel and not converted to PDF. HCD is able to review a financial report more efficiently when applicable documents are submitted as Excel files, rather than only submitted as PDFs.

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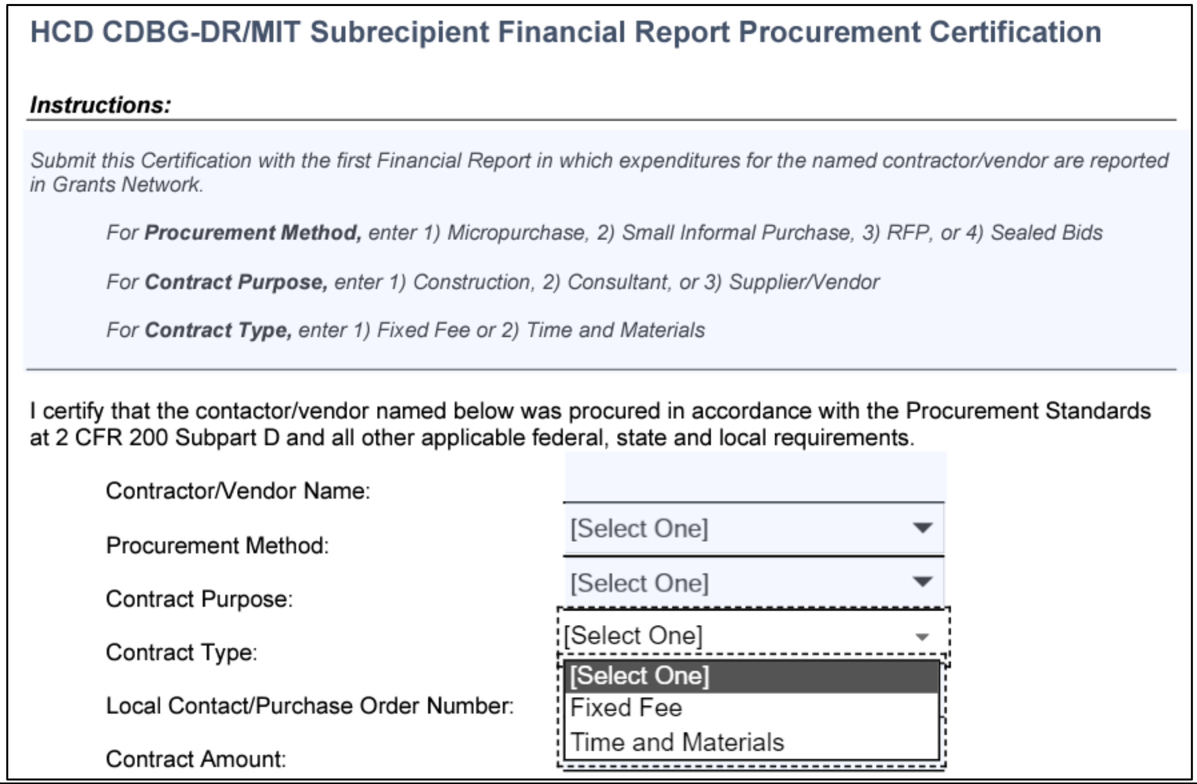
<td>8.</td>
<td>Procurement Certification forms and contract types are not matching.</td>
<td>The Procurement Certification form is required for all contracts and the contract type listed must match the contract itself. If the contract type listed on the Procurement Certification form does not match the type of contract, the financial report will be returned for corrections.


HCD CDBG-DR/MIT Subrecipient Financial Report Procurement Certification
Instructions:
Submit this Certification with the first Financial Report in which expenditures for the named contractor/vendor are reported in Grants Network.
For Procurement Method, enter 1) Micropurchase, 2) Small Informal Purchase, 3) RFP, or 4) Sealed Bids
For Contract Purpose, enter 1) Construction, 2) Consultant, or 3) Supplier/Vendor
For Contract Type, enter 1) Fixed Fee or 2) Time and Materials
I certify that the contactor/vendor named below was procured in accordance with the Procurement Standards at 2 CFR 200 Subpart D and all other applicable federal, state and local requirements.
Contractor/Vendor Name:
Procurement Method: [Select One]
Contract Purpose: [Select One]
Contract Type: [Select One]
[Select One]
Fixed Fee
Time and Materials
Local Contact/Purchase Order Number:
Contract Amount:</td>
</tr>
</table>

9.	Reimbursement requests for costs related to Time & Materials contracts do not meet Memo #23-01 requirements.	1. Time & Materials contracts must be on file with HCD (at application or with the first financial report). 2. Time & Materials contracts must include the following: a. Name, position, and rate of pay for staff working on the contract. b. Include the staff name associated with the detailed description of each task that includes the specific work to be performed and any deliverables. c. HCD recommends including the estimated total hour commitment for each staff for each task either by the life of the contract or per the expected billing period. 3. Time & Materials invoices must include the following: a. Task name(s) b. Staff name(s) that completed the task. c. Total hours per staff for each task and billing period d. A description of the task i. The description of the staff position, task and rate is not required to be included in the invoice if it is included in the Time and Material Contract Statement of Work (SOW) and the SOW is cross-referenced in the invoice related to the task.
10.	A Financial Report was returned to the subrecipient for corrections. The subrecipient made the corrections and uploaded the revised files. All previous files remain in the Grants Network Financial Report.	If HCD provides directions to revise a file uploaded to Grants Network, delete the old, incorrect file from Grants Network. Reports with duplicate files or incorrect and correct versions of the same file is confusing for a reviewing and may lead to additional questions or concerns during monitoring. Ensure the Grants Network Financial Report only includes relevant and accurate files.

II. Time and Materials Example:

Scope of Work:

- **Task A – 3.0 Community Engagement Strategy**
    - ***Task A-3.1: Community Engagement Strategy***
    - ***Task A-3.2: Community Surveys***
        - Vendor will prepare a series of micro-surveys that are intended to both generate interest in the Safety Element update and solicit community input on priorities and resilience strategies. The survey link could be shared on the jurisdiction's social media pages to increase response and distributed by the jurisdictions via existing list servs, at standing community events, and through other communication methods. Up to five questions are anticipated to be developed for each micro survey, assuming a total of 4 micro surveys throughout the project duration. Following closing of each micro-survey, Vendor will prepare an accompanying summary report with numerical breakdown of responses, charts and graphs, and narrative descriptions of the qualitative results. The surveys will be provided in Spanish and English.
    - ***Task A-3.3: Community Workshops***
    - ***Task A-3.4: Stakeholder Focus Group Interviews***
    - ***Deliverables***:
        1. Community Engagement Strategy Memorandum and Final Community Engagement Plan
        2. Workshop promotional materials:
            - Two flyer designs (digital)
            - Two social media graphic designs (digital)
            - Up to six social media language blurbs
        3. Materials for two community workshops:
            - Workshop Logistics Plan (digital)
            - Two presentations (digital)
            - Up to eight posters (digital and print)
            - Sign-in sheets, comment cards, nametags
        4. Facilitation of and attendance at five community workshops (up to two Vendor staff members and two additional team members' attendance)
        5. Summary memo of findings from each engagement activity (survey, community workshops, interviews, and focus groups)

Example A:

	Title	Rate	Hours	Budget
Task A – 3.0 Community Engagement Strategy			100	$12,500
Task A-3.1: Community Engagement Strategy				$3,500
John Smith	GIS Specialist	$100.00	20	$2,000
Sarah Jones	Senior Planner	$150.00	10	$1,500
Task A-3.2: Community Surveys				$9,000
Bob Roberts	Senior Planner	$100.00	50	$5,000
Anna Johnson	Director	$200.00	20	$4,000

Example B:

Tasks	Labor							
	John Smith	Sarah Jones	Bob Roberts	Anna Johnson	Staff Name	Staff Name	Total Hours	Total Labor
	GIS Specialist	Senior Planner	Senior Planner	Director	Title	Title		
	$100.00	$150.00	$100.00	$200.00	Rate	Rate		
Task A – 3 Community Engagement Strategy								
Task A-3.1: Community Engagement Strategy	20	10					30	$3,500
Task A-3.2: Community Surveys			50	20			70	$9,000
Task A-3.3: Community Workshops								
Task A-3.4: Stakeholder Focus Group Interviews								
Subtotal Task A-3							100	$12,500