

**Community Development Block Grant (CDBG)  
State Monitoring Policy  
Iowa Economic Development Authority (IEDA)**

**Statement of Purpose:** The purpose of monitoring visits is to provide technical assistance, determine the status of grant funded activities, review the recipient's grant management system, and evaluate compliance with state and federal rules and regulations.

**It is IEDA's standard policy that every CDBG grant recipient shall be monitored on-site at least once prior to grant closeout. There are no exceptions to this policy.**

**Off-Site Monitoring**

Off-site monitoring, or sometimes referred to as desk monitoring, does not substitute on-site monitoring. Off-site monitoring is conducted on an ongoing basis and includes general review of project activities and communications to determine if the project is on track and the rules and regulations are being followed. Reviewing draw requests to evaluate project progress, running reports on financial activity or inactivity of the grant recipient, evaluating steps taken by the recipient to ensure compliance with environmental reviews, and day to day correspondence with personnel involved with the grant project are just a few examples of ongoing, off-site monitoring activities. The Housing program also receives quarterly performance reports. These are reviewed on an on-going basis for recipient compliance.

**On-Site Monitoring**

As a general rule, onsite monitoring visits shall be conducted in accordance with the following CDBG drawdown thresholds:

Water & Sewer Fund	50% CDBG funds drawn
Community Facilities	50% CDBG funds drawn
Opportunities & Threats	30% CDBG funds drawn
Housing	50% CDBG funds drawn
Downtown Revitalization	50% CDBG funds drawn

Once a project has met this threshold, the project manager should begin making plans to monitor the project. These thresholds were established in order to make certain the project was at a state of readiness so that a majority of the monitoring performance measure would be underway or completed.

If a grant recipient submits a large draw request that increases the percentage of CDBG funds drawn well beyond threshold outlined above, the Program Manager shall conduct a monitoring visit as soon as possible, but no later than three weeks following the draw request that exceeds the above threshold.

On site monitoring shall be conducted as needed at the Program Manager's discretion prior to reaching the above thresholds. Examples of when monitoring may need to be conducted outside of standard policy include, but is not limited to, working with a new grant administrator, projects that are expected to be completed expeditiously, recipient had areas of non-compliance while working on previous grant award, or areas of concern arise as part of the off-site monitoring activities.

### **On-Site Monitoring Review Process**

When conducting on-site monitoring visits, Program Managers shall make every attempt to monitor at the grant recipients office, most often this is City Hall. The Chief Elected Official and the City Administrator/City Clerk shall be invited, along with the grant administrator.

Program Managers shall complete the CDBG Monitoring Checklist worksheet during each monitoring visit. Every attempt shall be made while on-site to answer every question on this worksheet. Specific areas of review include, as appropriate, but not limited to:

- National Objective
- Citizen Participation
- Environmental
- Financial Management
- Procurement
- Contract Management (Administration)
- Contract Management (Architectural/Engineering)
- Contract Management (Professional Services)
- Contract Management (Construction)
- Labor Standards
- Civil Rights (Section 3, EEO, Fair Housing, MBE/WBE)
- Acquisition and Relocation
- Property Management
- File Management

Program Managers shall reserve time following a comprehensive on-site review to go over any deficiencies discovered during the monitoring visit with the Chief Elected Official and grant administrator. The Program Manager shall provide advice for corrective action. Following this wrap-up meeting, there should be no surprises when the grant recipient receives the follow-up letter. During the on-site review the project will also be visually inspected.

## **Monitoring Follow-Up**

A formal follow-up letter shall be sent following every on-site monitoring visit. Program Managers shall send this letter no later than ten (10) business days following an on-site review. Included in the follow-up letter shall be a list of activities the recipient is doing well, areas for improvement, as well as corrective action needed.

Any deficiencies included in the follow-up letter shall provide information on how to cure any such deficiencies. Typically, recipients shall have 30 calendar days to cure deficiencies or face non-compliance status.

## **Recipient Non-Compliance**

If repeated attempts by the Program Manager to cure areas of non-compliance are unsuccessful, the Program Manager shall work with the Team Leader to formally notify the grant recipient that corrective action is necessary, or face penalties, which could include, but not limited to, delay of payment of remaining funds, ability to secure future IEDA grants, or repayment of existing grant funds.

If there is still no action taken on behalf of the grant recipient to cure the outstanding deficiencies, the Division Coordinator and Division Administrator shall determine the consequences for such inaction. The consequences shall be based on the severity of the deficiency, the state and federal rules and regulations governing the area(s) of non-compliance, the impacts to the community, and consequences to IEDA. The grant recipient shall be notified of the decision by the Division Administrator by official letter.

The grant recipient shall have the ability to appeal the decision by the Division Administrator to the Director of the Iowa Economic Development Authority. The Director shall have the authority to reverse any previous decision and make the final decision on the penalty, if any, to be enforced.