

**CHAPTER K:**  
**GRANT ADMINISTRATION**  
**AND PROJECT MANAGEMENT**

## K.1 OPEN COMMUNICATION

The overall management and administration of the CDBG project essential to the timely progress and expenditure of grant funds. Open and frequent communication between the project representative and project administrator is one of the most important aspects. A clear line of communication best allows the project representative to understand the unique nuances each sub-recipient encounters, and will allow for issues, if they should arise, to be resolved expeditiously. The monthly reports are a good base-line, however, our office encourages frequent communication with project administrators.

## K.2 MONITORING

All CDBG funded projects will receive at least one on-site monitoring over the course of the grant. The TNECD monitoring plan states that CDBG project will be monitored at least once every three years. The length of each grant contract is three years; if a contract extension is grant, the project will be monitored again. Additional monitoring may take place on-site or TNECD may request documentation for a desk review.

Typically, monitoring occurs when construction has reached the 50% threshold or when equipment is delivered. It is imperative that the project administrator maintain a hard-copy of all documentation generated over the course of the project, including but not limited to ERR, plans and specifications, bidding and procurement acquisition, etc. These documents must be presented, and accessible to TNECD staff during monitoring visits.

When conducting monitoring, the TNECD project representative uses two workbooks that dictate the questions to be asked of the grantee and the documents to be reviewed. Sample documents are provided as exhibits to this chapter. TNECD recommends project administrators be familiar with these documents to ensure each monitoring is efficient and complete with limited to no findings.

- CDBG Monitoring Workbook (Exhibit K-1)
- CDBG Monitoring Labor Checklist (Exhibit K-2)

Monitoring may also be conducted electronically with a follow up site visit at a later date. The same monitoring workbooks will be used, and the same documentation will be reviewed for electronic monitoring. If electronic monitoring is the selected method, the project administrator will complete an online submission form and submit all required documentation here: <https://app.tnecd.com/>. Electronic monitoring also requires submission of two certifications that is not required for in-person monitoring:

- Electronic Monitoring Documentation Certification (Exhibit K-3)
- Electronic Monitoring Title VI Certification (Exhibit K-4)

Administrators must indicate on the status reports that a project needs to be monitored. These benchmarks, especially for construction, are not set in stone, and at times you may need to use some of your own discretion and intuition to help determine when monitoring needs to occur. In this instance, contact the project representative to determine the appropriate course of action. Here are some example scenarios:

- The project is well below 50% complete, and the admin has requested monitoring. This may be due to a short length of construction, or the contractor is moving quickly. In any event, the administrator should follow-up with the project representative to determine that scheduling monitoring is correct.

- The project is well below 50% complete, and the admin has not requested monitoring, but recognizes the project has a short length of construction, or the contractor is moving quickly. The admin should contact the project representative to determine if monitoring should be scheduled.
- The project has multiple contracts and the overall construction is below 50%, but one of the contracts is nearing completion or is complete. The administrator should contact the project representative to schedule a desk monitoring for the labor portion of the contract that is almost complete, then follow-up with the onsite monitoring visit at a later date.
- Projects must be monitored every three years. Our contracts are written for three-year periods, and this only becomes an issue if a project has been granted an extension request.

Once the project is monitored, TNECD will follow up with monitoring report letter that will details the areas that were monitored and any findings. Davis-Bacon Act violations concerning underpayments and/or misclassification of labor classifications.

## K.3 REPORTING

### **K.3.a Monthly Status Reports**

Each month, from the inception of the project to closeout, the administrator must submit a Monthly Status Report (Exhibit K-5), due no later than the 25<sup>th</sup> of each month. The Monthly Status Report should detail what has occurred and what will occur during the following month. These reports are crucial to the success of the project and enable a seamless flow of communication between project administrators and TNECD. TNECD understands that projects may be slowed or delayed for various reasons and requests that pertinent information about the causes of these delays, the timeline, and potential solution be included in the monthly report. If a project representative notices that same information has been included on the monthly report for two or months with no movement on project, don't be surprised to receive a phone call or an email asking for additional information.

### **K.3.b Annual Progress Report**

The report is due at the end of each calendar year for all open CDBG projects, per the grant contract requirement. This report takes the place of the monthly status report for December and includes many of the reporting items. However, this report asks that the grantee report on the progress over the course of the past year, not just the last month. Additionally, the grantee will be expected the report of the performance measures that were proposed in the grant application.

### **K.3.c Contract/Subcontract Activity Report (HUD-2516)**

As the direct recipient of HUD funds, TNECD is responsible for submitting several reports. One of these reports is the Semi-Annual Labor Report. This report consists of multiple data points concerning contracts that are awarded throughout the year and other labor-related items. The Contract and Subcontract Activity Report (Form HUD-2516) is how contract information is collected from CDBG subrecipients (city and county grantees) for this report.

Each grantee is required to submit an initial Contract and Subcontract Activity Report after the agreement made with the awarded bidder. This report should contain all contracts and subcontracts related to the grant, including prime and subcontractors, equipment vendors, and professional services, such as administration and engineering. TNECD also requests that an updated form be submitted anytime a new contract or

subcontract is added to project. When the TNECD project representative is preparing for the monitoring visit, he/she will request an updated report if the most recent report on file is more than 3 months old.

#### **K-4 BEST PRACTICES**

Part of administering a CDBG project effectively and efficiently is paying close attention to detail and addressing issues quickly. Here are some best practices to consider when administering a project:

- Remember that as the administrator, you are acting on behalf of the community. Communicate clearly and often with the other involved parties to make sure everyone is aware of deadlines and benchmarks.
- During the pre-construction conference, take the time to discuss the listed classifications in the applicable wage rate determination, and review with the contract to determine if additional classifications are needed.
- When conducting employee interviews, a good rule of thumb is to interview at least once a month while in construction. For a project that should take 120 days, this means four trips to conduct employee interviews.
- Make sure that all contractors and subcontractors on the project are represented when conducting employee interviews. This doesn't mean that they will also be on-site, but a sample of interviews of the employees of each should be on file when monitoring occurs.
- If a project includes multiple sources of funding, make sure TNECD is aware of the status on the other funds anytime there is a change.
- If a project includes multiple sources of funding, plan early for how the funding sources fit together, coordinate the process, and identify potential bottlenecks.
- Let TNECD help. If you are having issues with a funding partner, or you are having challenges obtaining a permit, etc., don't be afraid to ask TNECD for assistance.

HUD Exchange: Best Practices to Achieve Timely Performance

<https://www.hudexchange.info/news/cdbg-timeliness-and-best-practices-to-achieve-timely-performance/>

#### **K-5 ADMINISTRATION AND PROJECT MANAGEMENT EXHIBIT LIST**

- K-1 SAMPLE MONITORING WORKBOOK
- K-2 SAMPLE LABOR MONITORING WORKBOOK
- K-3 ELECTRONIC MONITORING DOCUMENTATION CERTIFICATION
- K-4 ELECTRONIC MONITORING TITLE VI CERTIFICATION
- K-5 MONTHLY STATUS REPORT FORM