

**CHAPTER 9
REPORTING REQUIREMENTS**

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CHAPTER 9 REPORTING REQUIREMENTS

I. FINANCIAL REPORTING

Recipients must comply with all applicable federal and state audit requirements by conducting the necessary audits within the specified time frames.

Financial audits provide reasonable assurance that activities have been carried out according to the grant agreement and in compliance with laws and regulations. Audits must be conducted in compliance with generally accepted auditing procedures established by the American Institute of Certified Public Accountants and must be consistent with procurement standards prescribed by Attachment O of OMB Circular A-102.

A. Federal Requirements

New York State Community Development Block Grant (NYS CDBG) funds are federal funds that are subject to the requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, as amended, which establishes uniform requirements for audits of federal assistance. Specifically, those requirements are as follows:

1. Recipients that expend \$500,000 or more of federal funds in their fiscal year must conduct a single or program-specific* audit in accordance with OMB Circular A-133.
2. Recipients that expend less than \$500,000 of federal funds in their fiscal year are exempt from federal audit requirements for that year. However, Recipients should check with local laws to determine the applicability at local audit requirements.

If a Single Audit is required, the Recipient must complete and submit the audit report within 30 days of receipt of the auditor's report or nine months after the end of the Recipient's fiscal year, whichever is earlier. Reports must be sent to OCR's Finance Manager, and to:

Federal Audit Clearinghouse
Bureau of Census
1201 E. 10th Street
Jeffersonville, IN 47132

In accordance with OMB Circular A-133, the auditor is required to give prompt notice to the Chief Elected Official of any findings of an illegal act or other irregularities. In turn, the Recipient must promptly notify OCR within 5 business days of the findings and/or proceedings of the violation of law and/or nonperformance of duty. Conflict of interest, falsification of records or reports, and misappropriations of funds or assets are all examples of illegal acts or irregularities.

B. State Requirements

1. Recipients are required to follow federal audit requirements as found in OMB Circular A-133.
2. Within 60 days of the end of the Recipient's fiscal year, the Recipient must submit a Federal Assistance Expenditure Form (Form 9-1) to OCR's Finance Manager. Failure to do so may delay the processing of request for funds and/or result in the suspension of funds.

C. Procurement of Audit Services

OMB Circular A-133, Subpart C, requires that the Recipient, whenever possible, makes a positive effort to utilize small audit firms, minority-owned firms and/or women-owned business enterprises in procuring audit services as stated in the A-102 Common Rule, OMB Circular A-110 or 48 CFR Part 42, as applicable. This audit must be performed by an independent Certified Public Accountant and conducted in compliance with generally accepted auditing procedures.

In requesting proposals for audit services, the objectives and scope of the audit should be made clear. Factors to be considered in evaluating each proposal include the responsiveness to the RFP, relevant experience, availability of staff with professional qualifications and abilities, the results of external quality control review and cost. The selection process documentation should be retained in the Recipient's files for review by OCR.

D. Audit Costs

The costs of audits prepared in accordance with the provisions of OMB Circular A-133 are allowable charges to NYS CDBG projects. However, the amount of CDBG funds that can be used to finance an audit must be relative to the percentage of CDBG funds that triggered the requirements of A-133. Costs of audits that are not prepared in accordance with the provisions of OMB Circular A-133 are not allowable charges.

II. REPORTING PERFORMANCE MEASUREMENTS

All Recipients of NYS CDBG funds are obligated to report data to OCR, documenting the results of the activities undertaken. As part of the reporting process, Recipients are required to report using the Performance Measurement Framework established by the U.S. Department of Housing and Urban Development (HUD) to collect and report performance data from all of Community Planning and Development (CPD) programs administered by HUD. The purpose of collecting performance measurement data is to assess the accomplishments of CPD programs and to determine the outcomes of these programs and its eligible activities at the national level. The Performance Measurement System provides a framework for HUD to take local data from grantees (state administrators) throughout the

nation and aggregate it so that the impact of housing and community development programs can be measured at the national level.

In order for HUD to report these accomplishments, both state-administered and Federal entitlement CPD programs must report using the same Performance Measurement Framework. Collectively, NYS CDBG grantees must demonstrate the impact of the program on its communities and individuals. Performance measurement data and the collective results of this data will be directly linked to funding decisions and used to substantiate the need for funding at the current levels as well as support any increases in funding.

Without a tool to measure performance at the national level, HUD and its program partners will not be able to capture the impact grantees make in their states and communities, nor convey these important program outcomes to policymakers and the public. To meet its obligation to assess its program performance, HUD must require grantees to provide information on their achievements and investments since program objectives and activities are determined and implemented locally. If grantees do not provide this information, HUD will be unable to fully comply with Congressional and executive performance measurement mandates. This is likely to have a direct impact on future funding of the NYS CDBG program.

The performance measurement system was developed to provide HUD with a standardized methodology and system to measure the outcomes of the NYS CDBG program. Given the federal requirements to measure program performance and the strong competition for available federal resources, HUD and its grantees must be able to demonstrate how the program benefits low- and moderate-income families and communities.

The CPD Performance Measurement System provides the following benefits for HUD, its grantees and the grantees of states.

- **Meets Federal performance measurement requirements:** The system was developed in direct consultation with U.S. Office of Management and Budget to ensure that it fulfills federal performance measurement requirements.
- **Provides clear evidence of program results/outcomes at a national level:** The system provides HUD with “hard” numbers about the results of grantee activities. These numbers will allow HUD to quantify the impact of federally-funded activities, both locally and nationally.
- **Provides recipients with performance information that they can use to inform local officials and the public about the results of their programs:** For recipients that have not yet developed their own performance measurement systems, the CPD system provides them with performance information for their programs that can be used at the local level. This information can help recipients communicate their accomplishments and build public support.
- **Assists recipients with decisions about program design and implementation:** The system provides recipients with information about the extent to which their programs

achieve the intended results. To the extent that program performance falls below the desired levels, recipients can examine their program designs and procedures and assess whether changes are needed to enhance their performance.

III. PERFORMANCE REPORTING

To provide performance measurement data to OCR, Recipients are required to report twice a year the status, accomplishments and performance measurements of their projects. The Annual Performance Report (APR), which is due in January, provides statistics on the accomplishments, beneficiaries, and performance measurements of the program for the one-year period of January 1 – December 31. On July 15, Recipients are required to submit a Project Status Report (PSR) which provides a narrative of the status of the project. In addition to the APR and PSR, Recipients must also file a Final Performance Report once the project has been completed, the funds have been expended and the program objectives met.

A. Annual Performance Report

The APR is OCR's primary mechanism for obtaining accomplishments, beneficiary, and performance measurement data for reporting to HUD. Data from the APRs are compared to the Recipient's application and previous APRs on file and allow OCR program staff and Recipients of NYS CDBG funding to assess the project's progress and targeted outcomes. Data gathered from the APRs is transmitted to HUD in the OCR Annual Performance and Evaluation Report, which is prepared in coordination with the NYS Homes and Community Renewal.

Each Recipient must submit an APR for each project where a Final Performance Report has not been submitted to the OCR. The APR (Form 3-1) consists of six sections: Recipient Information; Project Status Narrative; Beneficiary Data and Performance Measurements; Program Income; Final Performance Report Documentation; and Certification. If the project consists of more than one activity, a Beneficiary Data and Performance Measurements Form must be completed for each activity.

Reports are due 10 business days after the close of the reporting period, which is December 31st of each year. Recipients that do not submit their reports by the deadline are at risk of the suspension of funds of all open grants.

B. Project Status Reports

The PSR is another mechanism by which OCR evaluates the progress of a Recipient's project and determines if a project is on schedule or if a technical assistance visit may be necessary in order to address any issues that may delay a project and to ensure completion of the project in a timely manner. For the period January 1st – June 30th, Recipients must submit a narrative that provides the current status of the project and addresses any issues that may delay the completion of the project. The PSR also provides Recipients another opportunity to evaluate their program and make any adjustments

necessary to ensure the completion of the project by the project deadline. The PSR (Form 3-2) consists of a Project Status Narrative and a Certifications page.