U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Community Development Block Grant (CDBG) Program

MANAGING CDBG

A GUIDEBOOK FOR GRANTEES ON SUBRECIPIENT OVERSIGHT

Managing CDBG

A Guidebook for Grantees on Subrecipient Oversight

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
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CHAPTER 6
SYSTEMS AND PROCEDURES FOR TRACKING SUBRECIPIENT PROGRESS

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INTRODUCTION

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The acquisition, organization, analysis, and dissemination of information are integral to the success of your CDBG program. The information and tracking systems you develop to manage this information can help you assess the overall performance of your subrecipients, identify potential trouble spots, and allocate technical assistance and monitoring resources.

This chapter reviews the fundamental elements of information systems and your performance tracking options. While the chapter presumes computer capability, many of the principles discussed apply to manual systems as well.

IMPORTANCE OF INFORMATION SYSTEMS

The development of an effective information system will improve your capacity to monitor the activities of your subrecipients and help them to achieve their program goals while adhering to federal regulations.

ELEMENTS OF SUCCESSFUL INFORMATION SYSTEMS

A successful information system, regardless of how it is used, has:

- A clearly defined purpose
- Well-trained and motivated users
- A simple and well-designed process to collect information
- Carefully selected software
- Powerful and reliable hardware
- A commitment to the routine use of the system

Management information systems can be a powerful tool that can be used to supplement your monitoring efforts, assess your subrecipient's progress, identify problems, and allocate resources.

System Purpose

The procedures you develop to collect information are an essential element of your subrecipient monitoring plan. A carefully crafted information system will help your subrecipients:

- Achieve their program goals.
- Improve their compliance with program rules.
- Increase their awareness of the effectiveness of program activities.

Your information system will also benefit you and your subrecipients in other ways:

- Greater efficiencies in data collection and analysis.
- Increased access to information.
- Improved accountability of staff.
- Increased productivity.

The key to an effective information system is getting the right information to the right person at the right time.

This Guide's Resources section provides an Overview: Purpose of Tracking Information on a variety of the CDBG activities undertaken by your subrecipients.

System Users

Information systems are only as good as the training and motivation of those who use them. The failure to input accurate and timely information will reduce the quality of your system's output.

Reinforce the importance of the system by rewarding exemplary reporting by providing special recognition or higher "ratings" for future funding awards or withholding approval of a subrecipient's drawdown request due to a missing or inaccurate progress report.

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Instruct your staff and your subrecipients on how to use the system.

- Explain the benefits of accurate and timely inputting of information.
- Define the skills needed to complete each of the functions of the system.
- Measure their progress in developing those skills.
- Provide incentives for consistent and accurate input.
- Penalize subrecipients who fail to submit accurate or timely progress reports.

Give your staff and your subrecipients the time and financial support needed to learn how to use the system and adapt their administrative procedures. The collection or input of inaccurate data can be worse than no data if you are lulled into making false assumptions or incorrect decisions about your subrecipients' activities.

Collection of Information

Before you can develop an effective tracking system, it is important that you have a clear understanding of what, why, and how you are collecting information. You need to know:

- **What you are going to measure?** What information do you need to gauge the progress of your subrecipients (e.g., activities undertaken, clients served, units produced, dollars spent)?
- **When you need to measure it?** How often and in what sequence do you need to measure the performance of your subrecipients? While the activities are in process or when completed? On a monthly, quarterly, semi-annual, or annual basis?
- **How you will collect it?** What sources of information will you need? How will you get it?
- **Who will measure it?** Who will be responsible for producing this information? A member of your staff? Your subrecipients?
- **Why you are measuring it?** What is the purpose of the information? To fulfill program requirements? To prepare your Consolidated Annual Performance and Evaluation Report (CAPER)? To manage your program and staff?
- **How you will share it?** Are you collecting the information for your internal use? Will you share it with local elected officials, your CDBG field representative, or the subrecipients' Boards of Directors?

This exercise will help you define the precise steps involved in collecting, entering, sorting, analyzing, and reporting the information you need to measure your subrecipients' progress and monitor their compliance with CDBG regulations and program requirements.

The process you develop to collect information should be as simple as possible in its design and operation. Whenever feasible, use standardized methods or programs that your staff and your subrecipients can learn quickly and that allow them to transfer their knowledge and skills from other systems.

The development of flow charts to identify the activities, sequence of operations, products, and staff responsibilities involved in acquiring information and preparing reports can help establish your reporting process. These charts can range from simple, half-page diagrams to complex, multi-page charts.

The usefulness of the data you collect should be greater than the burden imposed on your subrecipients to collect the information. To the extent feasible, avoid duplicating other reporting requirements of your subrecipients.

You will be able to secure more cooperation from your subrecipients if the data you require them to provide is directly relevant to their operations and useful for their administrative purposes.

Software Selection

The range of software applications available on the market is staggering. Assuming your existing software does not meet your needs, simplify the selection process by:

- **Prioritizing your software needs.** Do you need a specialized activity-specific application for preparing housing rehabilitation work write-ups or economic development loan applications and underwriting assessments? Will your program benefit from the purchase of grants management or database software? Or can you manage with basic word processing and spreadsheet software with presentation and desktop publishing capabilities?

- **Evaluating your software options.** Once you have identified your software priorities and are exploring your options, keep these questions in mind: Is it designed to do what you need it to do? How easy is it to use? Is it supported by the developer? Can it be integrated into your existing software systems? Is it desktop- or web-based? Is it secure?
- **Contacting current software users.** Talk to people who are currently using any software you are not familiar with to determine how well they like it and how well it works for them.

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Computer Hardware Requirements

It is likely that you are considering if, how, or when to upgrade your computer system. Upgrading your computer system should not be a one-time event but rather a continuous, planned process. When selecting computer hardware, consider:

- **Operating system and equipment.** How important it is that you stay with your current operating system and equipment? Does it meet the minimum requirements for the optimum performance of your software applications?
- **Laptop or desktop options.** Will you benefit from the mobility of a laptop? If more than one staff member will use the computer, would a desktop option be more secure?
- **Power and data storage.** The type of operating system that can be utilized, the complexity of the software that can be handled, the amount of data to be stored and manipulated, and the potential for networking are dependent upon the power and capacity of your computer system. Is your current system powerful enough to support the new software you are considering?
- **Reliability of the system.** How frequently will you or your staff use computer equipment? Is it intended for an occasional user or will it drive an entire network?
- **Service and support.** Your ability to work with minimal interruptions is critical to the success of your CDBG program. The purchase of a computer system—with limited or no reliable technical support—could represent a significant risk you should not assume.

The time you invest in researching these questions will pay off in the long run in terms of the suitability of new equipment and your satisfaction with the system. When in doubt, aim for:

- The most computer power you can afford in terms of size and speed,
- The most flexible system that will allow for future expansion of the system, and
- Simplicity over complexity.

Buying new hardware and software does not guarantee an improvement in performance.

Commitment to the System

Your full support of your information system and commitment to following established procedures are key to its successful implementation. A partial commitment to this effort will yield only partial results.

Remember, you are making an investment in your program which will have a positive impact on both you and your subrecipients. By committing to the implementation of your information system, you will:

- Expand the capacity of your organization and your subrecipients,
- Increase the productivity of your respective staffs,
- Improve the accountability of your subrecipients, and
- Strengthen the partnership you have developed with your subrecipients.

PERFORMANCE MONITORING

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The use of one system for tracking subrecipient information is recommended. Develop a joint system in partnership with your subrecipients that meets both your needs. The use of two systems—yours and theirs—will require you to spend time that could be better spent managing your program, translating the data provided by your subrecipients, and transferring it into your system.

Avoid the duplication of your efforts by meeting with your subrecipients to cooperatively:

- Identify how to measure program activities. Include measurements required for reporting accomplishments in IDIS and the CAPER.
- Establish time periods for measuring performance (e.g., months, quarters, etc.).
- Determine how to allocate costs (i.e., a cost allocation plan).

IDIS AND CAPER PERFORMANCE MEASUREMENTS

The information required to be entered in IDIS and to complete your CAPER will vary depending on the nature of the activities undertaken by your subrecipients. Remember that the combina tion of the eligible activity category (matrix code) and the national objective being met will largely determine the information collected. A good practice is to clearly indicate to the grantee all of the data needed for both the IDIS setup and completion screens up front to ensure that your subrecipients are collecting and providing the correct information.

Detailed information on the requirements of the IDIS and guidance on the preparation of your CAPER is available on HUD Exchange.

Subrecipient Agreements as Tools for Tracking Performance

Your Subrecipient Agreements are both a plan for undertaking CDBG activities and a valuable tool for tracking subrecipients' performances. A well-crafted agreement will provide you with a yardstick for measuring the progress of your subrecipients, allowing you to compare actual progress with the terms of the agreements and determine whether the subrecipients are carrying out the activities as approved, on time, and within budget.

The Subrecipient Agreement identifies what your subrecipients are required to do, how and when it must be done, and how they will be paid for these activities. It is crucial that the agreement clearly—in concrete and unambiguous terms—addresses each of these requirements. These basic units of measurement identified in the agreement provide a framework for your tracking system.

Each Subrecipient Agreement must include "a description of the work to be performed, a schedule for completing the work, and a budget. These items shall be in sufficient detail to provide a sound basis for (you) to effectively monitor performance under the agreement." (24 CFR 570.503(b)(1))

EFFECTIVE PERFORMANCE MEASUREMENTS

Effective tracking of subrecipient performance begins with the development and execution of your Subrecipient Agreement. Make sure the agreement contains the level of detail required to measure your subrecipients' performance. For example:

Useful: "Provide an average of six hours of housing counseling services to each of 50 unduplicat ed low-income households per month based on a pre-approved curriculum."

Not Useful: "Provide housing counseling to low-income people."

Basic Performance Requirements

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Your subrecipient agreement must include, as required in 24 CFR 570.503(b), the:

- Statement of work (often referred to as a scope of work or scope of services);
- Schedule for completing the work;
- Budget;
- Basis for compensation;
- Reimbursement procedures;
- Treatment of program income, if relevant;
- Compliance with uniform requirements;
- Suspension and termination;
- Reversion of assets;
- Other program requirements relevant to the identified activity; and
- Record-keeping and reporting requirements.

The agreement should frame each of these aspects of your subrecipients' CDBG activities in measurable terms that provide the basic data required in each of its progress reports and drawdown requests.

Chapter 3 of this Guide offers helpful tips on the development of your Subrecipient Agreement.

Developing Performance Measurements

The agreement developed for a subrecipient performing housing rehabilitation service should, at a minimum, include the following detail to allow you to monitor its performance more easily and effectively:

- The **statement of work** should define the number of units to be completed within the program year and the location and neighborhoods where the subrecipient will carry out housing rehabilitation. It should also reference any written statement of subrecipient policies and procedures for the activity, including governing priorities among eligible applicants, eligible repairs and maximum per-unit assistance levels, forms and conditions of financial assistance, recapture and forgiveness policies, etc.
- The **project schedule** should indicate deadlines for completion of individual units and the schedule of subtasks reflecting overall activity (e.g., completion of application intake, determination of income and eligibility of repairs, work write-ups, units out to bid, bids awarded, when 50 percent of the units are to be completed, when 100 percent of the units are to be completed/final inspection). The total number of completed units on the schedule should agree with the statement of work and budget included in the agreement.
- The **method of compensation** should be structured to provide payment based on the delivery of a specific, measurable product, rather than on a general hourly rate. For example, certain housing rehabilitation activities such as work write-ups could be reimbursed on a fixed fee basis with draws for construction labor and materials made proportional to the work in progress. If possible, there should be a set-off (e.g., 10 percent) retained until final inspection and sign-off for any unit. The agreement might also specify an upper limit for how much the subrecipient can spend on any individual unit without an explicit grantee waiver, to ensure that the subrecipient's allocation of funds is not spent on a few disproportionately expensive units.

The Subrecipient Agreement can be used to track performance with respect to the scope, schedule, cost, and quality of your subrecipient's CDBG activity. Other sections of the agreement should complement these basic elements to create a consistent structure for tracking.

"Before and after" photos are an effective way to document performance and record the success of your subrecipient's housing rehabilitation program.

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Processing Requests for Payment

Requests for payment (also known as a drawdown), which may be submitted by your subrecipients more frequently than their scheduled progress reports, can provide you with a great deal of insight into what is happening within its operations.

Despite their potential helpfulness in tracking the performance of your subrecipients, not all requests for payment forms capture the information you need for monitoring purposes. If structured properly, the information provided in your form can indicate whether your subrecipients are adhering to the schedule and budget included in their Subrecipient Agreements.

Work with your subrecipients to identify, before any funds are disbursed, who is authorized to request payment, what accounts have been set up to receive payments, and what forms will be used to request payment.

Designing Request for Payment Forms

Your request for payment form can help you identify any gaps between your subrecipients' proposed objectives and their actual activities. At a minimum, your form should include information to help you track the:

Require your subrecipients to submit source documentation, such as invoices from con tractors for rehabilitation work, with their request for payment to verify program ex penditures.

- Overall status of the subrecipients' CDBG funds:
  - CDBG funds approved to date,
  - Program income received to date,
  - Actual disbursements to date,
  - CDBG funds on hand at the time of the request, and
  - Requests previously submitted but not reimbursed.
- Status of each activity or budget category:
  - Budgeted amount,
  - CDBG funds drawn to date,
  - Program income expended to date,
  - Grant funds expended to date, and
  - Current request for payment.

From this information, you can track your subrecipients' rate of spending in various activity areas or budget categories, which will help determine whether they are using their program income in a timely fashion and drawing down appropriate amounts of grant funds.

Design your request for payment form to include the number of completed units of service such as the number of persons or households served to date associated with the requested payment. This information will help you compare actual completions and expenditures with your subrecipients' original budgets and schedules for the activity. It will also help you to provide timely information on accomplishments in IDIS.

In addition to the standard information required on a request for payment form, it is helpful to have information about units of service delivered during the period in question.

PERFORMANCE TRACKING SYSTEMS

Your ability—and that of your subrecipients—to acquire, organize, accumulate, and report performance information will determine which approach is appropriate for you.

- **Level 1:** Basic Reporting for Individual Subrecipients

- **Level 2:** Tracking Systems for Groups of Subrecipients
- **Level 3:** Integrated Progress Reporting Systems

NOTES

In general, the larger and more complex your program, the greater the need to develop a fully integrated progress and financial reporting system for your subrecipients.

Central to your monitoring efforts, at the most basic level, is the submission of regular progress reports by your subrecipients. Some grantees require monthly progress reports. Other grantees require progress reporting on a quarterly basis.

Level 1: Basic Reporting for Individual Subrecipients

The usefulness of your subrecipient progress reports hinges on the quality of the data provided to you. If you do not have a lot of confidence in the accuracy of data being reported or if the reports do not provide enough information, it is difficult to use them to measure the achievement of objectives specified in the Subrecipient Agreement.

To improve the utility of these reports:

- Request relevant data,
- Provide clear and detailed instructions,
- Communicate with your subrecipient, and
- Use the requested data.

Reporting content and frequency may vary, depending on program activity and complexity. The quality of the reporting should be non-negotiable.

Request Relevant Data

Make sure the reports capture only the data that is important.

Your progress report format should reflect the:

- Performance measures established in the Subrecipient Agreement,
- Data required by regulations, and
- Data reported in IDIS and your CAPER.

Give your subrecipients the option to include narrative information and other data to provide a fuller picture of their activities.

If you are not sure how you will use a specific piece of information, do not require your subrecipients to report it. Help the subrecipients understand why you need the data you have requested. See Consolidated Annual Performance and Evaluation Report Information in the Resources section for a listing of information and data items that are useful in tracking subrecipient activity.

Provide Clear and Detailed Instructions

Give your subrecipients clear and detailed instructions on how to submit information and complete the progress report. It is never safe to assume that standardized forms are self-explanatory. The time you spend walking through the reporting process with your subrecipients is likely to yield large benefits in terms of consistency and accuracy.

Provide an example of a completed report to illustrate to your subrecipients how to report the information you need to track their progress.

Communicate with your Subrecipients

If your subrecipients do not submit a report on time or do not complete the report correctly, let them know immediately.

Your subrecipients are likely to attach as much importance to the progress report as you do, so be sure to communicate the importance of timely and accurate submissions. Compare the subrecipients' progress reports with their

Some grantees simplify the review process by requiring the submission of monthly progress reports.

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requests for payment. Ask your subrecipients to explain any discrepancies.

Progress reports are good vehicles for capturing details on the use of program income. This information can supplement and clarify the summary information on program income typically included in your subrecipients' drawdown requests.

Use the Requested Data

Using the data included in your subrecipients' progress reports for several purposes helps justify the effort put into preparing them. It can, for example, be useful not only in preparing your CAPER but also in:

- Identifying individual subrecipients experiencing performance problems,
- Creating a database for analyzing trends among subrecipient activities,
- Planning monitoring activity, and
- Documenting the activities and benefits of your program for local officials and the public.

This Guide's Resources section includes an example of a report format developed by a CDBG Entitlement community. Submitted monthly by subrecipients, the report is tied to requests for payments and provides data on performance, units of service provided, and the racial characteristics of beneficiaries. See Sample Monthly Report and Voucher in the Resources section.

Level 2: Tracking Systems for Groups of Subrecipients

If you have developed a report format that allows you to collect the information you need to track the performance of your subrecipients, consider the use of the following options:

- Milestone tracking
- Financial tracking
- Monitoring status
- Performance reports

These monitoring options allow you to review the status of a large group of subrecipients simultaneously using standardized programs and procedures. You will spend less time figuring out what the problem is and more time working with your subrecipients to resolve the problem.

Milestone Tracking

Systems used to track program milestones are created from data included in your Subrecipient Agreements. They typically include individual subrecipient schedules and progress reports, while displaying planned versus actual completion dates for key milestones or objectives.

These systems are helpful for:

- Viewing the overall performance of your subrecipients,
- Comparing achievement rates of individual subrecipients,
- Identifying slow-performing subrecipients, and
- Identifying when you are at risk of failing to meet the overall requirements of your CDBG program.

Financial Tracking

Financial tracking systems rely on data provided in the drawdown requests and progress reports submitted by your subrecipients. They can facilitate your analysis of the requests for payment you receive, providing an early warning of spending shortfalls or overspending in particular categories of activities.

Monitoring Status

Systems for tracking the monitoring status of your subrecipients can be automated or manually maintained. Both options can help you identify:

- When a monitoring visit or in-house desk audit has been scheduled,
- What aspect of the subrecipients' activities you will monitor, and

- Which members of your staff will be involved in the monitoring.
- Once you have completed the scheduled monitoring, you can record:
- When your monitoring letter went out,
- The findings cited in your monitoring letter,
- When your subrecipients' responses are due, and
- The deadlines you have established for required corrective actions.

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Performance Reports

Performance reports feature mechanisms for determining which of your subrecipients have failed to meet particular deadlines or have fallen below certain thresholds of performance (e.g., the expenditure of more than 20 percent of their targeted drawdowns, or the completion of less than 20 percent of targeted units of service in a given month). Variations in expected performance areas are identified for follow-up.

Level 3: Integrated Financial and Program Management Systems

Integrated financial and program management systems provide an up-to-date, online picture of the overall status of your subrecipients, combining a variety of information from several sources:

- Progress reports
- Monitoring activity
- Required corrective actions
- Requests for payment
- Financial disbursements
- Program income

An integrated management system allows you to more easily:

- Establish subrecipient monitoring priorities,
- Coordinate your activities using the most complete and accurate information available,
- Track the progression of projects,
- Evaluate overall program effectiveness, and
- Assess the relationship of the use of CDBG funds to the objectives identified in your Consolidated Plan.

Performance Benefits

There are four primary benefits of using an integrated financial and program management system to evaluate your CDBG program:

- The internal consistency and accuracy of data is checked automatically;
- Relative to other systems, a greater number of subrecipients or a larger or more complex group of activities can be more easily tracked;
- The comprehensive financial, regulatory, and program status reports generated by the system allow you to identify potential compliance problems, allocate technical assistance, and target monitoring resources; and
- The flexibility of the system allows you to adapt status reports and monitoring procedures to meet the needs of your subrecipients.

Enhanced Regulatory Compliance

Because of the complex nature of CDBG record-keeping and reporting requirements, fully integrated systems are helpful. They can generate multiple reports from the same source of information and reduce the likelihood of errors in your reports. However, their initial implementation may require substantial expenditures of both time and money.

COMMON TRACKING PROBLEMS

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Your information systems are likely to change in response to changes in your use of subrecipients and changes in federal, state, or local laws and regulations for:

- Securing the continued commitment of your subrecipients to use the system;
- Establishing a standard reporting framework;
- Simplifying data collection, record-keeping, and reporting;
- Maintaining separate accounts; and
- Moving from manual to automated systems.

Securing the Commitment of Subrecipients

Many of your subrecipient organizations may be under-funded and under-staffed and unable to maintain adequate records or submit accurate reports. In these situations, obtaining additional or different data from your subrecipients can become even more difficult, especially if they appear unable to keep up with present documentation and reporting requirements.

As such, it is important to work with your subrecipients to organize or streamline their present record-keeping systems so that this function requires less staff time while introducing the documentation and reporting changes you need.

This may require time and effort on your part; however, over time, you will both benefit as your subrecipients increase their capacity to keep adequate records and report progress and you secure the information you need to effectively manage your CDBG program.

Inadequate subrecipient record-keeping and reporting are a major source of monitoring problems.

Establishing a Standard Reporting Framework

This step is key to building an effective information system. A standard reporting framework is based on:

- Forms that are easy to fill out,
- Regular reporting intervals,
- Standardized data required of all subrecipients,
- A clearly defined process for data collection and reporting, and
- Unambiguous links to standard Subrecipient Agreements.

Your subrecipients may argue that their programs are unique and that they do not need to provide the requested data. Address this resistance with a positive, but firm response: that the documentation and reporting requirements you specify are part of the Subrecipient Agreements, imposed by federal laws and regulations, and are conditions for reimbursement of program expenses (24 CFR 570.503(b)(2) and 24 CFR 570.506).

Defer upgrading your information systems until you have established a standard and stable reporting framework that is applicable to all subrecipients.

Simplifying Data Collection, Record-Keeping, and Reporting Procedures.

Before you decide to upgrade your system or change your data collection and reporting methods, consider how you can simplify the system. Such simplification might include:

- Eliminating duplicate or unnecessary information;
- Reducing the number of sources used to retrieve information;
- Reducing the number of steps involved in securing or reporting information;
- Using a single source of information (for instance, a subrecipient application or drawdown

request) to satisfy multiple record-keeping and reporting requirements; and

- Clarifying who is responsible for obtaining and reporting information.

NOTES

Upgrade your tracking systems only when you feel sure that the process is as lean and efficient as possible. In the absence of simple procedures, changes in your information systems may complicate your ability to ensure that the subrecipients comply with all reporting requirements.

Maintaining Separate Accounts

The commingling of CDBG funds with other sources is prohibited, both for grantees as well as for subrecipients (2 CFR 200.302). That being said, few subrecipients rely solely on CDBG funds for a single eligible activity; most, in fact, undertake multiple activities supported by multiple public and private sources of funds.

Under these circumstances, you are responsible for assuring that your subrecipients use appropriate systems and procedures to:

- Document their expenditures on CDBG-funded activities,
- Allocate their costs to the correct accounts, and
- Establish separate accounts for tracking different CDBG activities.

One of the biggest challenges your subrecipients may face is tracking staff time and program expenses when individual staff members are involved in several activities.

Work with your subrecipients to develop a way to accurately record CDBG-related staff time and expenses. The use of timesheets, description of duties performed, telephone logs, email correspondence, expense records, and filing systems are often used as a means of verifying CDBG-assisted activities and distinguishing them from other programs. Subrecipient staff who work on more than one activity during a week, for instance, should be able to identify the number of hours per day that they spend on each separate activity in their timesheets.

Moving from Manual to Automated Systems

If one or more of your subrecipients is moving from a manual to an automated record-keeping and reporting system, make sure that the basic requirements discussed above are addressed in the new system and that backup records will be maintained until the new system has been tested and approved.

Make sure that your subrecipients keep backup documentation of all primary records (applications, agreements, timesheets, accounting records, drawdown requests, case records, etc.). The subrecipients must maintain these records for a minimum of three years following submission of the termination of their Subrecipient Agreement. (24 CFR 570.502(a)(7)(ii))

The transition from a manual to an automated system can be an opportunity for you to help your subrecipients improve their record-keeping and reporting systems. Be prepared to take advantage of it.

CONCLUSION

You should now be able to:

- Understand the basic elements of successful information systems.
- Partner with your subrecipients in the development of your information systems.
- Identify what data to collect, how to measure the data, and how often to report it.
- Make effective use of your Subrecipient Agreement when monitoring performance.
- Expand your monitoring plan to include the use of request for payment forms.
- Identify an appropriate system for tracking the performance of your subrecipients.
- Identify the benefits of using an integrated financial and program management system.
- Resolve common information system challenges.

OVERVIEW: PURPOSE OF TRACKING INFORMATION

Effective tracking of subrecipient activity is founded on having complete documentation in the original application and Subrecipient Agreement and then relies on submissions by the subrecipient of payment requests and progress reports, the audit, on-site monitoring visits, and regular communications with the subrecipient. An effective subrecipient tracking system should enable you to answer the following questions throughout the program year:

- How is the National Objective being met by the activity?
- Does the activity continue to meet the eligibility requirements of the CDBG program? How?
- Who is being served by the activity? How many beneficiaries? Characteristics?
- Are the objectives specified in the Subrecipient Agreement being attained?
- Are the services or products specified in the Statement of Work being delivered?
- Is the project budget being met? (By how much is the project over- or under-spent?)
- To what extent is the project schedule being met?
- Are expected levels of quality being maintained in the delivery of products and services?
- Are the subrecipient's Progress Reports and drawdown requests submitted on a timely basis and filled out correctly?
- Are proper records being kept consistent with CDBG regulations?
- Are communications with the subrecipient open, complete, and up to date?

Tracking systems cannot by themselves replace on-site monitoring of subrecipient performance and regulatory compliance; however, they can make your monitoring more efficient and effective by helping you address the most important issues in a shorter time period.

The principal sources for this information include:

- Subrecipient Application
- Written Agreement (as a guide to progress)
- Financial Statements
- Audits
- Monthly/Quarterly Progress Reports
- Drawdown (Reimbursement) Requests/Reports
- Record-Keeping Systems/Files
- Monitoring Visits
- Phone and e-mail Conversations
- Consolidated Annual Performance and Evaluation Report (CAPER)

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT INFORMATION

The following information and data items are useful in tracking subrecipient performance and regulatory compliance. They are also required for the Consolidated Annual Performance and Evaluation Report (CAPER). If you collect or up-date this information throughout the program year, preparation of the CAPER is much easier. You will also be able to monitor your subrecipients more closely. This information can be obtained from the activity and drawdown information in IDIS, and you can use screen prints or various reports to collect the data that has already been entered into the system.

- Activity name and number.
- Subrecipient name, address, telephone number, responsible individual.
- Activity description.
- Activity location, including census tract/block group where activities occur.
- Month/year activity funded.
- National Objective being met and how it meets program criteria.
- Type of activity—eligibility category.
- Financial status for activity:
    - Amount authorized
    - Amount expended this reporting period
    - Total expended to date (all sources as well as CDBG)
    - Unliquidated obligations (for public service activities only)
    - Unobligated balance
- Program income expected to be generated and received.
- Other HUD funds involved in an activity.
- Accomplishments/Units of Measurement (as applicable):
    - Numbers of persons assisted (for all non-housing activities)
    - Number of households assisted (for housing activities)
    - Number of businesses assisted
    - Number of organizations assisted
    - Number of housing units completed
    - Number of public facilities completed
    - Number of full-time equivalent jobs created
    - Number of full-time equivalent jobs retained
- Status of activity not completed major milestones, problems, or delays.
- If activity is to benefit low- and moderate-income persons:

    For acquisition, construction, or rehabilitation of multi-unit residential buildings:

    - Number of units in each structure at project start, and number of units in each structure at project completion
    - Number of units per structure occupied at project start and number which are occupied by low- and moderate-households
    - Number of occupied units per structure at completion and number occupied by low- and moderate-income households at completion
    - Total cost and share of total that is CDBG
    - Total rehab administrative costs

For job creation/retention activities:

- Listing of permanent job titles, which have been or will be created, and which are part-time jobs. If any positions require special skills/training, describe the efforts being made to provide such skills/training
- Cumulative number of permanent full-time equivalent jobs created
- Cumulative number of permanent full-time equivalent jobs retained
- Identify which jobs are held by low- and moderate-income persons
- Identify which jobs were made available to low- and moderate-income persons
- Actions taken or to be taken by subrecipient or business to ensure first consideration was or will be given to low and moderate persons

- Family size and income characteristics of beneficiaries (or household size and income for housing activities).
- Information on racial groups being served. Collect separate data counts where these individuals are also Hispanic or Latino.
    - White
    - Black or African American
    - Asian
    - American Indian or Alaskan Native
    - Native Hawaiian or other Pacific Islander
    - American Indian/Alaskan Native and White
    - Asian and White
    - Black/African American and White
    - American Indian/Alaskan Native and Black/African American
    - Other Multi-Racial
- Information on female-headed households served.
- Information on multi-unit structures assisted.
- Information on number of households/businesses displaced or temporarily relocated for each assisted project (e.g., acquisition, rehabilitation).
- One-for-one replacement data.

SAMPLE MONTHLY REPORT AND VOUCHER

29th Year Monthly Status Report

Contract Date: 9/1/03 through 8/31/04 PO# 2003003541 Vendor # 850096791 Index Code: 150031–205200

Line Item	CDBG Budget	Prog Inc. Transfer	Budget Transfer	Revised Budget	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Available Balance	YTD Expended
Salaries	$34.800.00	$0.00	$0.00	$34.800.00													$34.800.00	$0.00
Fringe Benefits	$10,000.00	$0.00	$0.00	$10,000.00													$10,000.00	$0.00
Telephone	$450.00	$0.00	$0.00	$450.00													$450.00	$0.00
Utilities	$4,000.00	$0.00	$0.00	$4,000.00													$4,000.00	$0.00
Office Supplies	$600.00	$0.00	$0.00	$600.00													$600.00	$0.00
Janitorial Supplies	$10.00	$0.00	$0.00	$10.00													$10.00	$0.00
Total	$49,860.00	$0.00	$0.00	$49,860.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$49,860.00	$0.00
Prg Income																	$0.00	$0.00
TOTAL BILLED	$49,860.00				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$49,860.00	$0.00
																		0.00%

UNITS OF SERVICE					Goal	#8
Month	Avg Rate	Projected	Actual	YTD	YTD %	People Served
Sept	8.3%	315.4			0.0%	
Oct	16.7%	634.6			0.0%	
Nov	25.0%	950.0			0.0%	
Dec	33.3%	1265.4			0.0%	
Jan	41.7%	1584.6			0.0%	
Feb	50.0%	1900.0			0.0%	
Mar	58.3%	2215.4			0.0%	
Apr	66.7%	2534.6			0.0%	
May	75.0%	2850.0			0.0%	
Jun	83.3%	3165.4			0.0%	
Jul	91.7%	3484.6			0.0%	
Aug	100.0%	3800.0			0.0%	
Total		3800.0	0.0		0.0%	0

	FINANCIAL STATUS			
	Available Balance	YTD Billed	YTD Billed %	
Sept	49,860.00	-	0.0%	0.0%
Oct	-	-	0.0%	0.0%
Nov	-	-	0.0%	0.0%
Dec	-	-	0.0%	0.0%
Jan	-	-	0.0%	0.0%
Feb	-	-	0.0%	0.0%
Mar	-	-	0.0%	0.0%
Apr	-	-	0.0%	0.0%
May	-	-	0.0%	0.0%
Jun	-	-	0.0%	0.0%
Jul	-	-	0.0%	0.0%
Aug	-	-	0.0%	0.0%

ADMIN
Budget Transfers

Fiscal Year: 1-1-02 thru 12-31-03
Audit Due by: 6-30-2004
Insurance Expires: 10-01-03

REPORTS DUE 10th		
Date Rec'd	Date Posted	Notes

Attachment A: Payment Request

AGENCY NAME: ______________________ **Mo./Yr.** ______________________

PROGRAM NAME: ______________________

PREPARER'S NAME: ______________________ **Phone:** ______________________

Approved CDBG Budget	$
CDBG Disbursements to Date	$
PI Expended to Date	$
Available CDBG Balance	$

(This Request)

Budget Line Item	AMOUNT REQUESTED FOR CDBG REIMBURSEMENT
TOTAL REQUEST	
LESS CDBG FUNDS ON HAND	
LESS PROGRAM INCOME ON HAND	
NET PAYMENT REQUESTED	
PI BALANCE AVAILABLE	

Signature of Executive Director or Board President		Date

Signature of CD Staff		Date

Signature of CD Accountant		Date

Attachment B: Units of Service Report

Agency Name: ______________________ **Program Name** ______________________

Preparer's Name: ______________________ **Phone Number:** ______________________

Calendar Mo. of Report: ______________________ **Contract Period: 29th Year** ______________________

	Units Directly Applicable Toward Contract	
Type of Unit	Number of Units	Number of new persons served this month: (should match column A on Ethnicity Report)
		Notes
Total for Period		

	Units Directly Applicable Toward Contract	
Type of Unit	Number of Units	Number of new persons served this month: (should match column A on Ethnicity Report)
		Notes
Total for Period		

______________________________________ ______________________

Signature of Agency Director or Board President Date

Attachment C: Race/Ethnicity Report

Agency Name: ____________________ **Contract Period: 29th Year** ____________________

Program Name: ____________________

Preparer's Name: ____________________ **Phone:** ____________________

NOTE: Totals for the three income groups (columns B−E) should equal the total in column A. If you serve a “Presumed Benefit” clientele, write “PB” in columns C−E instead of numbers. Columns F and G should equal total in column A. Columns S and T stand alone.

Month	Total #Persons Assisted (auto totals ethnicity)	Non-Low/Mod Clients	Moderate-Income Clients (A=B+C+D+E)	Low-Income Clients (A=B+C+D+E)	Extremely Low-Income Clients (A=B+C+D+E)	Hispanic	Non-Hispanic	White	Black/African American	Asian	American Indian/Alaskan Native	Native Hawaiian/Other Pacific Islander	American Indian/Alaskan Native and White	Asian and White	Black/African American and White	American Indian/Alaskan Native and Black	American Indian/Alaskan Native and Black/African American	Other Multi-racial	Persons with Disabilities	Female Head of Household
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**	**S**	**T**
SEP	0																			
OCT	0																			
NOV	0																			
DEC	0																			
JAN	0																			
FEB	0																			
MAR	0																			
APR	0																			
MAY	0																			
JUN	0																			
JUL	0																			
AUG	0																			
YTD	0		0	0	0			0	0	0	0	0	0	0	0	0	0	0	0	0

APPROVAL SLIP
(Please Approve & Forward)

M. Green – 8th Floor
R. Jones – 8th Floor
D. Riverside -
C. Monaldo – 7th Floor
M.J. Lopez – 8th Floor

Voucher Document

PayTo: Sample Spreadsheet

Today's Date	6/13/2003	Vendor #	860096791
Reference	May-03	Speed Type:	G0920
Open Item #	G7128SS0022 0503	Fund:	8579
PO#	2003003541	Fund:	8579
RC#		Project/Grant:	G7128SS0022
Budget Check:		DeptID/Acct#	71150031-505200
Approval Instance:		Period:	9/1/02 through 8/31/03

PAY THIS AMT: $3,173.96

For Internal Use Only
Contract Amount: $49,860.00
Prog. Inc. Amount: $0.00
Available Amount: $49,860.00

Invoice #:		Voucher #:	860096791
Date of Invoice:		Date Group Assigned:	G0920
PeopleSoft-Entry Date:		Date Posted:	8579
			8579

Approved:

CD Director