PLANNING & COMMUNITY DEVELOPMENT
HOUSING & SERVICES PROGRAM
GRANT CONTRACT REQUIREMENTS

The City needs the following information and assurances In order for grant contracts to be executed successfully. Please read this overview of Contract Requirements carefully to ensure success in executing a contract:

- ✓ Agency Authorization
- ✓ Child Safety Policy
- ✓ Code of Conduct/Conflict of Interest
- ✓ Insurance Requirements
- ✓ Overall Financial Management
- ✓ Scope of Work (Exhibit A to Contract)
- ✓ Project Budget (Exhibit B to Contract)
- ✓ Project Goals, Outcomes & Beneficiaries (Exhibit C to Contract)
- ✓ Registration with System for Award Management (SAM)
- ✓ Section 504/ADA
- ✓ Severe Weather Planning Policy

- **Agency Authorization** -- The City needs a letter from your agency that designates one or more representatives that are authorized to sign the Monthly Invoice and Activity Report. Mail the **original letter**, not a faxed or email version because we need the original signature.
  - If you have questions, please contact Barbara Barr at 360-778-8313 or email at babarr@cob.org.

- **Child Safety Policy** -- Agencies seeking funds for services that benefit or interact with children or youth (age 17 or below) are required to have an adult, youth, and child safety policy in place prior to contract execution that is in compliance with national standards. See https://www.cdc.gov/violenceprevention/pdf/PreventingChildSexualAbuse-a.pdf.
  - Please submit a copy of your child safety policy, if applicable, prior to contract execution if you did not include it in your grant application. If you already have this documentation on file with the City, it is not necessary to submit it again.

- **Code of Conduct/Conflict of Interest** -- Each agency must have a written Code of Conduct which safeguards against conflict of interest by its officers, employees, subcontractors and agents in the selection, award or administration of contracts supported with City funds.
  - ***Conflicts prohibited.*** The general rule is that no persons, as described below, who exercise or have exercised any functions or responsibilities with respect to City-funded activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a City-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a City-assisted activity, or with respect to the proceeds of the City-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.
  - ***Persons covered.*** The conflict-of-interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the agency which is receiving City funds.

- ***Written Policy on File.*** The City must have on file a written Code of Conduct or Conflict of Interest Policy consistent with these requirements prior to executing any contract. If you already have this documentation on file with the City, it is not necessary to submit it again.
    - ***Sample Code of Conduct.*** The Washington State Department of Commerce has a sample code of conduct policy which can be downloaded here: https://deptofcommerce.box.com/v/cdbg2016ncmhf5i. This document is a good start to a Code of Conduct, but fails to clearly identify the conflicts prohibited and persons covered, as articulated earlier.

- **Insurance Requirements** – Any agency receiving funds from the City must agree to defend the City, hold it harmless and indemnify the City for any act or work arising as a result of the activity the City is funding. The agency will be required to obtain and maintain insurance coverages, with the City named as an additional insured. In order for the City to sign the contract, you will need to have your insurance agent provide an insurance endorsement with the following coverages:

Workers Compensation	Statutory Amount
Professional Liability	$1,000,000
Automobile Liability	$1,000,000
Broad Form Comprehensive Liability	$1,000,000/occurrence
	$2,000,000 aggregate

You will also need to ensure that an attachment is included with the endorsement **explicitly naming the City as an additional insured**, stating that the **coverage is primary and noncontributory**, and including a **waiver of subrogation**.

- If you have questions, please contact Heather Aven at 360-778-8345 or email at haven@cob.org.

- **Overall financial management** – The City is required by state and federal agencies to ensure fiscal responsibility for ourselves as well as the agencies that receive funding from the City. City contracts require funded agencies meet the obligations of 2 CFR 200, including adherence to generally accepted accounting principals as part of their agency operations.
    - Each September, the City's Contract Accounting Specialist sends out a request for agencies to provide their audits or financial statements to the City for our records. The type of statements requested will depend on several factors. Specific guidance can be found on the City's website here: https://cob.org/wp-content/uploads/financial-review-expectations.pdf.
    - Note that agencies with prior monitoring concerns or findings, or with high staff turnover, may be expected to meet the higher standard than would otherwise be expected based on their expenditures.

- **Scope of Work** – Exhibit A - Review the Scope of Work in your grant application and make any necessary changes to *reflect your final award amount*.
    - Return a proposed Scope of Work in electronic Word format. Label it "Exhibit A" and include your agency name in the title.
    - If any significant changes are proposed to the Scope of Work, please provide an explanation in your email or cover letter.
    - Please make sure that your scope of work includes one or more **annual deliverables** to report on the achievements of your project against your expectations.
    - If you have questions regarding your Scope of Work, please contact Kate Bartholomew at 360-778-8353 or email at kebartholomew@cob.org.

- **Project Budget** – Exhibit B – Review the draft budget included with your contract. *Double check your totals to make sure they are accurate*. Include the City requested funding *as well as **all other funding** in the 'Other' column that is associated with the program*. In addition, please note the following:
  - ***Direct Costs: Staffing*** – Direct costs charged to your grant may include the compensation of employees who work on that specific program activity, their related fringe benefit costs and the costs of materials and other items of expense incurred for that grant award. If directly related to the program awarded the grant, certain costs may also be charged including extraordinary utility consumption, the cost of materials supplied from stock, or services rendered by specialized facilities or other institutional service operations.
    - Do not include any staff time as an eligible cost if that staff person is not providing a direct service for your project or program. For example, if the Scope of Work associated with the City grant reflects case management services, then the eligible costs are only for those staff that are providing case management services. So, if the Executive Director is working directly with clients and/or directly reviewing case management plans as a supervisor of case management staff, then those costs can be considered a direct cost. However, if the Executive Director is not providing case management services, but their role is general agency oversight (e.g. reviewing timesheets and approving invoices), then their time is an indirect or administrative cost, and must be budgeted accordingly (see below).
      - Timesheets - All employees, paid in whole or in part with City funds, must prepare a *timesheet that **meets time and effort reporting standards**. This means that either the employee must indicate their working hours, including a **separate accounting of hours worked on the City-funded activity for each pay period*** (this is required for all agencies that have multiple programs, with program staff paid not wholly by the City); or the City must be provided assurance the employee works exclusively on the City-funded program (this must be in the form of an annual letter or memo signed by the employee and director or other authorized agency representative). ***Timesheets must be signed by the employee and a supervisor.*** Timesheets may or may not be required to invoice for services (Barbara Barr will let you know) but must always be kept in the event your agency is selected for an audit of expenses charged to the City.
    - The City can only be charged for staff time worked (in other words, no paid time off may be billed to the City). Staff time must be charged at a composite billing rate that has been submitted and approved by the City (see Employee Composite Rate Calculation Sheet – note the sheet includes a separate tab with instructions). This composite rate can include the costs of accrued leave and benefits. Some exceptions may be possible.
  - ***Direct Costs: Other*** – Direct costs charged to your grant may include program costs other than staff compensation. Examples of some of these are included here, along with specific information about the type of back-up documentation that is required for the City to reimburse these types of costs. All direct costs must be reasonable and necessary for the program with no other source of funding, and reflect non-luxury and generic-type choices whenever possible.
    - Client assistance / Flex funds – If a program includes any type of client assistance or flexible funding for clients, we will require this to be explicitly outlined in the contract agreement specifying what process and what documentation will be required for the City to reimburse these costs. All such expenses must abide by our "Flex Fund Policy" (https://cob.org/services/housing/funding-opportunities/contract-requirements-and-resources). Funds must be paid to a third party, a client form is required documenting the amount and type of assistance and agency approvals, and assurance must be given that

other avenues have been tried to procure funds for the needed items or services, with guarantees of no duplication in benefits.

  - Training – If a program requires staff training, agencies must submit a training plan and/or request for training reimbursement *ahead of committing to the training expense* to show the trainings planned and demonstrate how they are directly related to implementing the program. Once written approval is given, reimbursement can happen for training related to the staff directly associated with the program funded by the City, and who work 100% on direct service activities. Backup documentation must demonstrate attendance/use by specific direct service staff.
  - Mileage – If a program requires travel, mileage reimbursement is possible if a mileage tracking form is maintained in the car which documents the date, purpose, and mileage start and stop of each trip taken. This is totaled, signed, and submitted with the monthly invoice for reimbursement of mileage.
  - Supplies – If a program requires expendable supplies, reimbursement may be made with prior-approval and adequate back-up documentation (i.e. receipts). In no case may supplies with an individual cost of over $500 be covered, and tools/equipment are never an eligible expense.
  - Communications – phone and internet expenses are assumed to NOT be eligible direct costs and must be covered under the indirect rate, unless explicitly demonstrated to be exempt.
  - If you have questions, contact Barbara Barr at 360-778-8313 or babarr@cob.org.
- ***Indirect or Administrative/Facilities Costs*** – Your budget for indirect or administrative/facilities expenses generally cannot exceed 10% of your direct activity expenses. Indirect costs also may not be charged on pass-through expenses such as rent paid to a third party.
  - Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular objective of your project that the City is funding. They include the following:
    - general administration and general expenses such as the director's office, accounting, and personnel.
    - facility costs such as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operation and maintenance expenses.
    - office expenses and supplies including office furniture, phones, printing, etc.
  - Example: The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if: the services are integral to the activity; individuals can be specifically identified with the activity (time sheets); costs are included in the budget; and the costs are not also recovered as indirect costs.
  - Note: If your agency has (or has ever had) an overhead rate that is approved by a cognizant federal agency, your budget for indirect costs may not be any higher than that rate. If you do have an established federal indirect rate, you must provide detailed documentation to the City, and to the degree the rate calculation departs from the assumptions outlined in these requirements (including MTDC assumptions below), you must clearly demonstrate that approved departure specific to costs you would like to bill, prior to being able to bill the City for related costs.
  - **DE MINIMUS INDIRECT COST RATE ALLOWED – Human Services & all contracts with federal funds:** Any agency that has never received a negotiated indirect cost rate may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel,

and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). Unless you have an overhead rate that is approved by a cognizant federal agency, *indirect costs are capped at $2,500 per year*, regardless of award amount. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each award in excess of $25,000. Indirects are typically only calculated on salary.

  - **DE MINIMUS INDIRECT COST RATE ALLOWED –** Housing Services with NO federal funds: Any housing services agency that has never received a negotiated indirect cost rate and has a contract with the City containing no federal funding, may elect to charge a de minimis rate of 12% of modified total direct costs (MTDC). MTDC excludes equipment, capital expenditures, charges for client/patient care, rental costs, tuition remission, scholarships and fellowships, and client/participant support costs. Indirects are typically only calculated on salary.

- ***Budget Line Item adjustments*** – The contract allows for line item adjustments under 15%, which must be approved by the City contract manager; any adjustments exceeding 15% would require a Contract Amendment.
- For questions regarding budget and invoicing, please contact Barbara Barr, Accounting Specialist (360-778-8313 or at babarr@cob.org)

- **Projected Goals, Outcomes & Beneficiaries** – Exhibit C – Review the draft included with your contract. To change it, use the Excel workbook that provides specific information that relates to the *City's 2018-2022 Consolidated Plan* goals, outcome indicators and target populations.
  - ***Goals:*** All service contracts will have "***Address & Prevent Homelessness"*** as the goal of the program.
  - ***Outcomes:*** Identify which outcome indicator your grant would address.
    - When you choose your Outcome Indicator, the electronic form automatically fills in the Unit of Measure. Please make sure to **identify how many of those units** you expect to achieve in *one year* as defined in your contract (typically from July 1 through June 30).
    - NOTE: If your project provides **housing** services, then you **must** choose an outcome indicator that measures **households**. You will also need to identify how many beneficiaries you expect to serve. Your Exhibit C might look like this:

Goal Outcome Indicator	# of Units	Unit of Measure
Public service activities for Low/Moderate Income Housing Benefit	30	Households Assisted

30% or less	31-50%	51-80%	Unit of Measure	TOTAL
30	20		persons	**50**

  - ***Beneficiaries Served.*** Identify how many beneficiaries you anticipate will benefit from this grant activity by income levels. The Unit of Measure for beneficiaries is either persons or households. Please choose the one that best fits your activity, as it does not have to match the Goal Outcome "Unit of Measure". *Be sure to use the most recent Income Levels shown on the last tab of the workbook.*
  - ***Reporting Requirements.*** *The information you provide needs to be consistent with the way you actually track your data. We will be asking for quarterly reports that show how you are tracking towards your goals*, these may be limited to the form linked, but may also require quarterly reporting of outcome data as indicated in the scope of work.
  - ***Note about Outcome Indicators.*** The City uses the Exhibit C outcome indicators in order to summarize all activities in a consistent format, including reports to our federal granting agency (HUD). Your Scope of Work will require you to provide an annual progress/close-out report that

shows how your activities met your expectations. It is here that you will document the progress toward achieving the outcomes as written in your scope of work. As noted above, in some cases, programs are asked to submit additional outcome data along with the quarterly beneficiary report data.

- **Registration with SAM** – The federal System for Award Management (SAM) is a free service with which your agency (or "entity" is the term SAM uses) registers. There are clear instructions at https://www.sam.gov walking you through creating a user account, registering the entity, and/or searching to see if your agency already has a current registration.
  - Your registration must be current, with no exclusion records on file prior to City signature on your grant contract.

- **Section 504 / ADA** – No qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance from the City of Bellingham. The City of Bellingham requires public areas of programs and services to be accessible to persons with disabilities in accordance with Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act (ADA).

  There are three parts, or steps, required for Section 504/ADA compliance.
  - ✓ Agency self-evaluation and assurance of compliance -- due every 3 years.
  - ✓ Accessibility Checklist -- due every 3 years.
  - ✓ Yearly Progress Repot - due every year a self-evaluation form is not submitted

  See descriptions below for the different ADA documentation required throughout your funding cycle. The City will inform you which documentation you will be asked to submit with your contract.
  - ***Self-Evaluation.*** Agencies are asked to fill out this form during their first year of funding, and every 3 years after that. Since this form pertains to the whole agency and not just the funded program, only one form needs to be submitted even if multiple programs are being funded.
    - If your program and/or facility does not meet the requirements but modifications would create an undue burden or not be readily achievable at this time, you must identify which modifications cannot be made at this time and document the basis for your determinations. In many cases alternative methods for service delivery can be found. If funded in future years, you will be asked to complete a Progress Report annually to indicate your progress in removing any remaining barriers.
  - ***Section 504 / ADA Accessibility Checklist.*** This form pertains to just those areas where the clients / public will access for the funded program.
    - If you have not completed an accessibility checklist within the past three years, you will be required to complete it prior to City signature on your grant contract.
  - ***Yearly Progress Report.*** Agencies are asked to complete this form each year that a self-evaluation report is not required.
  - ***TDD/TTY Access.*** One of the provisions that will be monitored for compliance is the listing of TDD/ TTY or the Washington Relay telephone number on all of the written policies and documents that are made available to participants, beneficiaries or employees (including letterhead); as well as all materials used to market programs, and any other public document that lists a telephone number.
  - ***Section 504/ADA Forms and/or Questions?***
    - Section 504/ADA forms can be accessed at https://cob.org/services/housing/funding-opportunities/contract-requirements-and-resources.

- If you have questions, please contact Heather Aven at 360-778-8345 or email at haven@cob.org.

- **Severe Weather Planning Policy** – Agencies seeking funds for services that provide emergency shelter or housing supports are required to have a plan in place supporting their beneficiaries' safety in the event of a severe weather event (including but no limited to severe heat event, degraded air quality de to smoke, and dangerously cold temperatures), consistent with the City's template.

  - Please submit a copy of your severe weather plan, if applicable, prior to contract execution if you did not include it in your grant application. If you already have this documentation on file with the City, it is not necessary to submit it again.