U.S. Department of Housing and Urban Development

COMMUNITY PLANNING AND DEVELOPMENT

Special Attention of:
All Regional Office Directors
All Field Office Directors
All CPD Division Directors

NOTICE: CPD - 08 - 06

Issued: October 20, 2008
Expires: October 20, 2009

SUBJECT: Implementing Risk Analyses for Monitoring Community Planning and Development Grant Programs in FY 2009.

This Notice extends the provisions of Notice CPD-07-07

U.S. Department of Housing and Urban Development

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Special Attention of:
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NOTICE: CPD - 07 - 07

Issued: October 19, 2007
Expires: October 19, 2008

SUBJECT: Implementing Risk Analyses for Monitoring Community Planning and Development Grant Programs in FY 2008.

I. Purpose

The purpose of this Notice is to provide a consistent methodology for conducting risk analyses for Community Planning and Development (CPD) formula and competitive grantees and establish monitoring priorities within available resources. This risk analysis process has been incorporated into CPD's Grants Management Process (GMP) system, a computer-based information system which is utilized to provide a documented record of conclusions and results.

This Notice is intended to augment the Departmental policy contained in Handbook 1840.1, Rev-3, *Departmental Management Control Program Handbook*, which requires the development of risk-based rating systems for all programs, and is also incorporated into Handbook 6509.2 REV-5, *Community Planning and Development Monitoring Handbook*. The major steps for implementing risk-based monitoring include:

- Developing risk-based rating systems for program grantees;
- Rating and selecting grantees for monitoring;
- Identifying program risks and setting monitoring objectives; and
- Documenting the process and recording the rationale for choosing grantees.

Each Field Office will perform the risk analysis using the methodology described in this Notice. Both CPD managers and field staff are assigned distinct responsibilities to complete the risk analysis as outlined further in this Notice.

II. Background

Each CPD Field Office is responsible for developing monitoring strategies and an office work plan encompassing CPD grantees and programs to be monitored during the fiscal year. Headquarters establishes the completion dates for risk analysis and work plan each fiscal year. The purpose of a monitoring strategy is to define the scope and focus the monitoring efforts, including establishing a framework for determining the appropriate level of monitoring for CPD grantees consistent within available resources. The work plan documents the Field Office

decisions regarding where to apply staff and travel resources for monitoring, training and/or technical assistance.

Risk analysis provides the information needed for CPD to effectively target its resources to grantees that pose the greatest risk to the integrity of CPD programs, including identification of the grantees to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. The selection process should result in identifying those grantees and activities that represent the greatest vulnerability to fraud, waste, and mismanagement.

III. Frequency of Risk Analysis

For FY 2008, new risk analysis worksheets will be created in GMP. The Evaluator (CPD Representative, Financial Analyst or Specialist) and Management Representative (CPD Director, Deputy Director, Program Manager, or designated senior staff person) have specific responsibilities for worksheet review and information update for each grantee.

IV. Applicability

Field Offices will apply the risk analysis process to the formula and competitive grant programs listed below.

Formula

- Community Development Block Grant Program (CDBG) (Includes Disaster Grants if managed by the CPD Field Office)
- HOME Investment Partnerships Program (HOME)
- Emergency Shelter Grants Program (ESG)
- Housing Opportunities for Persons With AIDS Program (HOPWA)

Competitive

- Historically Black Colleges and Universities (HBCU)
- Economic Development Initiative (EDI)
- Brownfields Economic Development Initiative (BEDI)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Youthbuild Program (Youthbuild)
- Round II Empowerment Zones (EZs)
- Rural Housing and Economic Development (RHED)
- Community Development Block Grant (CDBG) Small Cities Competitive
- Shelter Plus Care (S+C)
- Supportive Housing (SHP)
- Section 8 Single Room Occupancy (SRO) Moderate Rehabilitation

V. Risk Categories and Criteria

All CPD program risk analyses are standardized for formula and competitive grantees and use a five factor quantifiable rating system (with the exception of the Community Development Block Grant (CDBG) Risk Analysis Worksheet which has four factors). Based on a 100-point rating scale, grantees are assigned one of three risk categories: High risk – a total score of 51 or more; Medium risk – a score between 30–50; and Low risk – a score of less than 30. These risk analysis factors are consistent with those described in the *HUD Monitoring Desk Guide: Policies and Procedures for Program Oversight*:

- Financial;
- Physical;
- Management;
- Satisfaction; and
- Services.

These factors are further defined by subfactors and specific criteria identified for each. Rated subfactors such as dollar value, complexity of programs, number of programs administered, and compliance issues are critical in determining those grantees defined as high risk. With minimal variation among the CPD programs, the subfactors used for each risk factor include the areas listed below.

1. Financial
   a. Size of Grant
   b. Timeliness
   c. Timely submission of A-133 audits
   d. Financial Compliance
   e. Expenditure Provisions

2. Physical
   a. Physical Conditions of Projects
   b. Acquisition, Construction, and Rehabilitation of Assets

3. Management
   a. Staff Capacity and Oversight
   b. On-Site Monitoring and Last Monitored
   c. Program Caps
   d. Program Complexity
   e. OIG Audits
   f. Program Design
   g. Timely and Accurate Submissions
   h. Environmental/Relocation/Flood Insurance Protection

4. Satisfaction
   a. Citizen Complaints
   b. Grantee Responsiveness

5. Services
   a. Meeting Program Objectives

b. Carrying Out Program Activities
c. Program Progress

VI. Risk Analysis Process

Risk Analysis consists of two steps:

1. Rating:
    - Assessing and recording risk for each grantee by the Evaluator; and
    - Reviewing results by Management; and

2. Ranking:
    - Ranking grantees by risk, from highest to lowest;
    - Determining monitoring exceptions; and
    - Certifying results.

The results of this two-step process provide the basis for developing office work plan and individual grantee monitoring strategies. This includes: identifying which grantees will be monitored; method of monitoring (on-site or remote); programs and areas to be monitored; type of monitoring (in-depth or limited); areas of technical assistance and training needed; resources needed; and projected timeframes.

As stated earlier in this Section of the Notice, each factor and its relevant sub-factors are assigned a level of risk: high, medium or low. **To the greatest extent possible, high risk areas identified during the risk analysis process should be incorporated into the grantee's individual grantee monitoring strategy as an area to be reviewed during monitoring.** Strategies should also include recommended monitoring exhibits that will be used during the review (see Attachment E-1). In addition, all individual grantee monitoring strategies should be documented into GMP under the appropriate heading (see Section VII).

Step 1 – Rating Grantees

Timing of Risk Analysis Process: The CPD Director will have the opportunity to choose one of the following options for the timing of the risk analysis rating process.

- A preliminary rating may be performed during a grantee's scheduled program year performance cycle while reviewing documents such as Consolidated Annual Performance and Evaluation Reports (CAPERs) or Annual Performance Reports (APRs). At the end of the fiscal year, prior to the official ranking process, the preliminary grantee ratings would then require only brief updates to take into consideration any subsequent issues identified for a grantee since the initial performance-rating period. Examples of subsequent issues would include timeliness, audit reports, or the results of monitoring visits not previously incorporated**.**

- Alternately, the Field Office may choose to perform the entire rating process for all grantees immediately prior to ranking at the beginning of the federal fiscal year.

Evaluator: The Evaluator will review and rate each program administered by a grantee.

The risk analysis process begins with a review of each grantee against a predetermined set of criteria. This review of each grantee's program(s) provides the basic knowledge needed to rank each grantee. In completing this review, various sources of information are used including data obtained from the Integrated Disbursement and Information System (IDIS), CAPERS and APRs, prior monitoring visits, audits, and citizen complaints. Special attention should be given to recent audits with findings, compliance with program expenditure requirements established by the Department, and fair housing/civil rights issues.

Competitive programs are evaluated using criteria outlined in Attachment A-5. Formula programs are evaluated using criteria outline in Attachments A-1 (for CDBG), A-2 (for HOME), A-3 (for ESG), and A-4 (for HOPWA). A grantee is to be evaluated using such criteria for each program type it administers. For example, if a grantee administers HBCU and SHP programs, the grantee's risk will be evaluated for both programs separately: one analysis for HBCU, and one analysis for SHP.

The risk analysis covers all "active" grants. An active grant is defined as any grant within the field office's portfolio not closed out at the start of the risk analysis review process. When evaluating each grantee against program criteria, the results will be recorded and documented in GMP in the Risk Analysis Module.

Management Review: After the Evaluator has completed documenting the risk analysis results for each grantee in GMP, a Management Representative begins the review and certification process. The role of the Management Representative is to provide quality control to ensure validity and consistency through an assessment of each Evaluator's ratings and comments. The Management Representative reviews each risk analysis worksheet and completes the certification process with his/her electronic or manual signature. The results of the worksheets are entered into GMP.

Step 2 – Grantee Ranking and Selection

After all worksheet information has been entered into GMP, the automated system provides the results in two composite lists, one for formula and one for competitive grantees (see Attachments C-1 and C-2). Grantees on both lists will be ranked in descending order, from highest to lowest risk. The Management Representative will then begin the exception process starting with the Composite Summary Sheet.

For FY 2008, the Management Representative will have four exceptions categories to deviate from monitoring grantees in rank order. **A grantee cannot be skipped over for monitoring without identifying an appropriate exception as stated below.** The four exceptions that will be included in GMP consist of the following: A – The Office of Inspector General is currently conducting an audit of the high-risk grantee and/or high-risk

program(s); B - High-risk grantee and/or high-risk program(s) were monitored within the last two years; C – Grantee will be provided technical assistance or training in current Fiscal Year; and X – Other. **It should also be noted that for any grantee with an average risk score of 51 or higher and/or a single program score of 51 or higher, the only allowable exceptions the Management Representative can apply are Exceptions A - The Office of Inspector General is currently conducting an audit of the high-risk grantee and/or high-risk program(s) or B – High-risk grantee and/or high-risk program(s) were monitored within the last two years. Any grantee and/or program(s) rated high-risk must be monitored on-site unless Exception "A" or "B" is documented.**

a) Grantees will be selected for monitoring in rank order.

b) Those grantees with total average scores of 51 or higher are to be further reviewed by the Management Representative to determine if Exception A or B is applicable. For grantees determined to be high-risk, but not scheduled for monitoring during the current Fiscal Year, the Management Representative must annotate them as Exception A or B on the Composite Summary Worksheet for the applicable program type (on either Attachment C-1or C-2).

c) In addition, any grantee with a single program score of 51 or higher must be reviewed and considered for on-site monitoring. Exception A or B can only be used if the high-risk program(s) is currently under audit review by OIG or has been reviewed on-site in the last two years. The Management Representative must annotate grantees with single program scores of 51 or higher not scheduled for on-site monitoring as Exception A or B on the Composite Summary Worksheet for applicable program type (on either Attachment C-1 or C-2).

d) The appropriate Fiscal Year Management Plan national goal must be applied to determine the total number of grantees to be monitored for the fiscal year.

e) In-depth monitoring as defined in Chapter 1, Paragraph 1-6.D of Handbook 6509.2 REV-5, must be completed for high-risk grantees and high-risk programs selected for on-site monitoring. Limited monitoring, as defined in Chapter 1, Paragraph 1-6.E of Handbook 6509.2 REV-5, may be performed for medium- and low-risk grantees selected for monitoring on-site or remotely.

f) Remote monitoring should principally be used to monitor medium- and low-risk grantees to validate the soundness of the rating criteria as well as possibly obtain early warnings of potentially serious problems.

g) Although Field Offices use risk analysis as their primary monitoring basis, they may also identify other areas needing special emphasis during monitoring based on national program reviews and evaluations by Congress, the U.S. Office of Management and Budget, or the HUD Office of Inspector General.

h) When developing individual monitoring strategies, CPD Monitoring Handbook Exhibits should be selected based upon the areas of risk identified by grantee and program. Attachment E-1 provides a breakout of Handbook Exhibits by the five risk analysis factors.

VII. Individual Grantee Monitoring Strategy

Chapter 2-5 A. of the CPD Monitoring Handbook 6509.2 REV - 5 provides guidance on the development of individual grantee monitoring strategies. The individual grantee monitoring strategy defines the scope of monitoring for each grantee selected for monitoring and focuses the monitoring effort to maximize the effectiveness of the review. To be effective, the contents of the individual grantee monitoring strategy must identify the following:

1. the programs/areas/functions to be reviewed;
2. data or information to be submitted by the program participant prior to monitoring (if any);
3. the names of any participant staff members who will need to be consulted during the monitoring;
4. anticipated staff who will conduct the monitoring (e.g., CPD Representatives and, if participating, any Specialists);
5. clearly defined areas of responsibilities for each reviewer (to avoid duplication) if more than one staff person will be conducting the monitoring;
6. a schedule for carrying out the monitoring tasks and the anticipated time frames; and
7. required resources (e.g., travel funds if on-site; time needed if remote).

The individual grantee monitoring strategy must be summarized and documented in GMP in the work plan module under the tab “Individual Work Plan Strategy/Rationale”. Timely and concise written documentation of the individual grantee monitoring strategy is an important tool for management use in assessing planned grantee actions against accomplishments.

VIII. Recordkeeping

All results of the risk analysis process are to be fully documented in GMP, and records maintained in accordance with Departmental policy. Each Field Office must be able to document and justify its rankings and proposed management responses. The documented results to be recorded in GMP (with any exceptions noted) consist of:

- Grantee Risk Analysis Worksheets (Attachments A-1, A-2, A-3, A-4, and A-5) that provides criteria for evaluation of grantee risk by program area, and electronic certification in GMP.

- Grantee Risk Analysis Worksheets (Attachments B-1, B-2, B-3, B-4, and B-5) that provides grantee’s program scoring results by factor and sub-factor with evaluation comments.

- Competitive Composite Summary Worksheet and Formula Composite Summary

Worksheet (Attachments C-1 and C-2) that provides composite summary results of all grantees and programs.

- Competitive and Formula Exception Reports (Attachments D-1 and D-2) which provides reports that details exception codes and reasons for any exception(s).

IX. Work Plans

As a result of assessing those grantees that pose the greatest risk, and program areas in need of improvement, a work plan will be developed in accordance with the guidance provided in Chapter 2 of Handbook 6509.2 REV-5. This work plan will include identification of:

- Grantees scheduled for monitoring, including program area(s);
- Method of monitoring (for example, on-site or remote);
- Type of monitoring (in-depth or limited);
- Scheduled timeframes for monitoring; and
- Resources needed, such as staff, travel, etc.

Work plans also include:

- Technical assistance and training to be provided to grantees based on needs identified through risk analysis; and
- Other grantees that need to be addressed as part of the annual work plan.

Work plans must be documented in GMP under the work plan module.

Attachment A-1

CDBG Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing four of the five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include: Financial, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's Comment Box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR I - FINANCIAL:
Factor Definition: The extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, assessment of grantee's drawdown history, grantee's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – FINANCIAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Timeliness				
Entitlement Grantees and Non-entitlement Counties in Hawaii: Sixty days prior to the end of the Grantee's program year, the amount of entitlement funds available to the grantee under the agreement but undisbursed by the Treasury is no more than 1.5 times the grant amount for its current program year. **Insular Grantees:** Sixty days prior to the end of the Grantee's program year, the amount of funds available to the grantee under the agreement but undisbursed by the Treasury is no more than 2 times the grant amount for its current program year. **State Grantees:** Sixty days prior to the end of the State's program year, the amount of funds available to the State under the agreement but undisbursed by the Treasury is no more than 2.5 times the grant amount for its current program year, or the State has not obligated and announced 100% of its State CDBG grant excluding State Administration and TA within 15 months of the date of its last grant award. **i.** The grantee has exceeded the above standard two or more times in the last three years.	High	5		
ii. The grantee has exceeded the above standard one time in the last three years.	Medium	3		
iii. The grantee has not exceeded the above standard in the last three years.	Low	0		
B. Program Income				
i. Criteria: Gross program income received by the grantee, State recipient(s), or subrecipient(s) generated by the use of CDBG funds for the most recently completed program year. The grantee, State recipient(s) or subrecipient(s) received $500,000 or more.	High	5		

ii. The grantee, State recipient(s) or its sub-recipient(s) received $250,000 to 499,999.	Medium	3		
iii. The grantee, State recipient(s) or its sub-recipient(s) received less than $250,000.	Low	1		
iv. The grantee, State recipient(s) or its sub-recipient(s) hasn't generated any program income.	None	0		
C. Grantee Submissions/Audits				
i. Criteria: Assessment is based on timely submission of the Consolidated/Action Plan that is to be submitted to HUD at least 45 days prior to the start of the program year; timely submission of Performance Reports e.g., CAPER/Performance Evaluation Report (PER) that is to be submitted to HUD within 90 days after the close of the program year; timely submission of audits to HUD. A-133 requires program audits for recipients of federal funds that expend in excess of $500,000 on an annual basis. Audits are due within 9 months from the end of the grantee's program year. The Consolidated/Action Plans for one of the last three program years were not submitted in a timely manner. **OR** The CAPER/PER for one of the last three program years were not submitted in a timely manner. **OR** One of the last three audits (if required) were not submitted on a timely basis.	High	6		
ii. None of the criteria in subfactor (i) applies.	Low	0		
C. Float-Funded Activities				
i. Grantee has funded activities through the use of float-funded activities during the past three program years.	High	2		
ii. Grantee has not funded activities through the use of float-funded activities during the past three program years.	Low	0		
D. Revolving Loan				
i. The grantee or State recipient has administered a revolving loan fund within the last three program years.	High	2		
ii. The grantee or State recipient has not administered a revolving loan fund within the last three program years.	Low	0		
Subtotal for Financial Assessment (Max. 20 Pts.)	**Subtotal**			

FACTOR 2 - MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from but not limited to: consideration of the knowledge, skills and ability of program staff and the grantee's administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as: lack of progress in implementing activities, change in staff during the last year, lack of experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee to carry out activities. Additionally, OIG audits and related reporting systems can be considered, including but not limited to: Consolidated Plans, CAPERs, Performance Evaluation Reports (PERs), Technical Assistance Plans, IDIS, and other reporting mechanisms. Environmental Compliance, Relocation and Acquisition Policies Compliance, and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Grant Amount/Monitoring/Sanctions **i.** Criteria: Risk is based on the absolute amount of the grantee's CDBG grant; the amount of time since the last monitoring of the grantee's program was carried out by HUD to ensure compliance with program requirements; and whether the Department has carried out sanctions against the grantee in the past program year. Grantee received a grant of $10 million or more in FY 08, **OR** On-site monitoring of grantee has occurred 5 or more fiscal years ago or never (if the current FY year is FY 08, then no monitoring has occurred since FY 03), **OR** One or more of the following conditions currently exist or existed during the past program year. The Department has: - Taken significant sanctions against grantee, such as suspending a program activity or prohibiting drawdown of grant funds through the Line of Credit Control System (LOCCS). - Identified that the grantee has at lost at least half of its program staff.	High	40		

ii. Grantee received a grant of at least $5 million and less than $10 million in FY 08, **OR** On-site monitoring of grantee has occurred 4 fiscal years ago (if the current FY year is FY 08, then monitoring occurred in FY 04), **OR** The Department advised the grantee to reimburse its program account an amount equal to at least the lesser of 25% of its grant amount or $250,000 **OR** On-site monitoring of a grantee receiving more than a $1 million grant in FY 07 occurred 3 fiscal years ago (if the current FY year is FY 08, then monitoring occurred in FY 05).	Medium	20		
iii. Grantee received a grant of at least $2.5 million and less than $5 million in FY 08, **OR** The Department advised the grantee to reimburse its program account for an amount that does not meet the criteria of medium risk.	Low	10		
iv. None of the above conditions exist.	None	0		
B. Organizational Capacity				
Criteria: Capacity is assessed by grantee's past performance in complying with program and regulatory requirements. The number of instances of non-compliance based on findings during monitoring, program or OIG audits during the last five program years is:				
i. Five or more	High	4		
ii. Two – Four	Medium	2		
iii. One	Low	1		
iv. Zero	None	0		
C. Performance				
Criteria: Performance is determined by grantee's ability to achieve results by comparing performance targets against accomplishments for the current 3-5 year Consolidated Plan. Grantee is achieving performance targets:				
i. Less than 50% of the time	High	4		

ii. 50-80% of the time	Medium	2		
iii. 80% or more of the time	Low	1		
iv. 100% of the time	None	0		
D. Program Administration CAP				
i. Criteria: **Entitlement, Insular, and Non-entitlement County in Hawaii grantees:** A grantee can expend a maximum of 20% of its annual entitlement grant, plus program income, for administration and planning. The grantee has not complied with this requirement for the last three program years. **State Grantees:** A maximum of $100,000 plus 3% of a State's grant can be expended on state administration. A maximum of 3% of a State's grant can be spent on State Technical Assistance. The total that can be expended for State Administration and State Technical Assistance may not exceed 3% of the State's grant plus the $100,000 that may be expended for State Administration. No more than 20% of a State's grant can be expended on administration and planning. The grantee has not complied with this requirement for the last three program years.	High	5		
ii. The above criterion was not met.	Low	0		
E. Subrecipients				
i. Criteria: Grantee carries out one or more activities through the use of subrecipients; or for State grantees, a Substate entity, e.g., Regional Planning Commission, does rating and ranking of UGLG's for the State.	High	2		
ii. The above criterion was not met.	Low	0		
Subtotal for Management Assessment (Max. 55 pts.)	**SUBTOTAL:**			

FACTOR 3 - SATISFACTION

Factor Definition: Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client or citizen-originated correspondence, grantee responses, Freedom Of Information Act, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Performance Plans, CAPERs, PERs and automated tracking systems.

The Evaluator should award a point value to subfactors A through B. Choose only one risk score for this subfactor from the point values listed below.

FACTOR 3 – SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Citizen Complaints				
i. Citizen complaints have been received during the most recently completed program year through such sources as citizen letters, phone calls, hot line	High	1		

complaints, newspapers articles, etc., and the grantee was found to be in violation of CDBG requirements.				
ii. Citizen complaints have been received during the most recently completed program year through such sources as citizen letters, phone calls, hot line complaints, newspapers articles, etc. and the grantee was found not to be in violation of CDBG regulations **OR** No citizen complaints have been received during the most recently completed program year as described in (i).	Low	0		
B. Responsiveness				
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year.	High	1		
ii. Grantee has responded to complaints and/or citizen inquiries within the prescribed timeframes **OR** has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0		
Subtotal for Satisfaction Assessment (Max. 2 pts.)	**SUBTOTAL:**			

FACTOR 4 - SERVICES

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: Consolidated Plans, Annual Action Plans, CAPERs, PERs, correspondence, release of funds requests, local, HQ-or grantee generated automated reports or spreadsheets, and IDIS. The Evaluator should consider the grantee's overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A through H. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 4 - SERVICES	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Beneficiaries				
A. Beneficiaries Criteria: Over a period of time specified in the grantee's certification NTE 3 years, not less than 70% of the aggregate of CDBG fund expenditures shall be for activities benefiting low- and moderate-income persons. During the certification period, the grantee's percentage was:				
i. Less than 70%	High	3		
ii. 71-75%	Meduim	2		
iii. over 75%	None	0		
B. Slum Blight				
i. Grantee has carried out activities classified as being eligible under slum/blight	High	1		

over the last three years.				
ii. Not applicable	Low	0		
C. Urgent Need				
i. Grantee has carried out activities classified as being eligible under urgent need over the last three years.	High	1		
ii. Grantee has not carried out activities classified as being eligible under urgent need over the last three years.	Low	0		
D. Public Service Caps				
Criteria: The amount of CDBG funds used for public services shall not exceed 15% of each grant, plus 15% of program income. The grantee has exceeded this requirement:				
i. Two times within the last three program years	High	5		
ii. One time within the last three program years	Medium	3		
iii. Not exceeded within the last three program years	Low	0		
E. Activities Administered				
i. Criteria: **Entitlement and non-entitlement counties in Hawaii and Insular grantees** may carry out eligible activities in the administration of its program. During the last three program years, the grantee has carried out the following activities and should receive points scored for each activity that the grantee has implemented:				
a. Grantee has implemented economic development activities	High	2		
b. Not Applicable	Low	0		
a. Grantee has implemented Section 108 activities	High	2		
b. Not Applicable	Low	0		
a. Grantee has implemented housing activities	High	2		
b. Not Applicable	Low	0		
a. Grantee has implemented public facilities activities	High	1		
b. Not Applicable	Low	0		
a. Grantee has implemented public services activities	High	1		
b. Not Applicable	Low	0		

ii. Criteria: **State recipients** may carry out eligible activities in the implementation of its program. During the last three program years, at least one State recipient has implemented the following activities and the State should receive points scored for each activity that at least one of its State recipients has implemented.				
a. State allows UGLG to conduct surveys	High	2		
b. Not Applicable	Low	0		
a. UGLG's are allowed to retain Program Income	High	2		
b. Not Applicable	Low	0		
a. Section 108 activities	High	2		
b. Not Applicable	Low	0		
a. Economic development activities	High	2		
b. Not Applicable	Low	0		
F. NRSA/CSRA				
i. Reporting of activities and accomplishments is not completed for the most recently completed program year. Accomplishment data are not recorded:	High	2		
ii. Reporting of activities and accomplishments is completed for the most recently completed program year. Accomplishment data is recorded.	Low	0		
G. Relocation				
i. During the last three program years, the grantee has carried out activities that have triggered relocation.	High	1		
ii During the last three program years, the grantee has not carried out activities that have triggered relocation.	Low	0		
H. Environmental				
i. The grantee has not demonstrated a record of program compliance or currently has known compliance problems with environmental requirements (Part 58).	High	1		
ii. The grantee has demonstrated a record of program compliance or currently has no known compliance problems with environmental requirements (Part 58).	Low	0		
I. Flood Insurance Protection				
i. During the last three program years, the grantee has carried out activities that triggered flood insurance protection (FIP) and is unable to submit satisfactory evidence of FIP for its assisted buildings located within the Special Flood Hazard Area (SFHA).	High	1		
ii. During the last three program years, the grantee has not carried out activities that triggered flood insurance protection.	Low	0		
Subtotal for Services Assessment (Max. 23 pts.)	**SUBTOTAL**			

Overall Risk Assessment - Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	20	
2. Management	55	
3. Satisfaction	2	
4. Services	23	
Total	**100**	

Part II To be completed by CPD Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, X)	

Exceptions:

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last two years.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
X. Other (explain)

CPD Management Representative(s) _____ Date: _____

Attachment A-2

HOME Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 - FINANCIAL

Factor Definition: Extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards, and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information system such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, assessment of Participating Jurisdiction's (PJ) drawdown history, PJ's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems and performance reports.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 – FINANCIAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Grant Amount				
i. The Participating Jurisdiction's (PJ) grant amount for the most recently completed program year falls within the top 10% of all HOME funded communities within the Office's jurisdiction for the same program year.	High	4		
ii. The PJ's grant amount for the most recently completed program year falls between 11-50% of all HOME grants awarded within the Office's jurisdiction within the same program year.	Medium	2		
iii. The PJ's grant amount for the most recently completed program year falls within the lowest 50% of all HOME grants awarded within the Office's jurisdiction within the same program year.	Low	1		
B. Commitments and Expenditures				
i. HOME Production Reports indicate that the PJ did not meet commitment and expenditure deadline requirements in one or more of the last two program years **OR** the most recent Red Flag Report showed that the PJ had more than 3.5 grant years funds unexpended.	High	5		
ii. HOME Production Reports indicate that the PJ did not meet commitment and expenditure deadline requirements in one or more of the last three program years **OR** the PJ had a shortfall 120 days before the deadline **OR** the most recent Red Flag Report showed that the PJ had between 3-3.5 grant years funds unexpended	Medium	3		
iii. HOME Production Reports indicate that the commitment and expenditure requirements have been met for the three most recent program years **AND** there were no shortfalls 120 days before the deadline **AND** the most recent Red Flag report showed that the PJ had less than 3 grant years unexpended.	Low	0		

C. Program Income				
i. The PR 27 or other sources available to the Field Office indicate that the PJ may not be reporting program income in IDIS **OR** that grant funds may have been expended before program income.	High	2		
ii. Based on the PR 27 or other sources available to the Field Office, the PJ appears to be reporting and expending program income before expending grant funds.	Low	0		
D. A-133 Audits				
i. An A-133 Audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe **OR** a PJ has open findings and is overdue in carrying out any agreed upon corrective action.	High	4		
ii. An A-133 Audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period, as well as all audits within the last three program years have been submitted **AND** the PJ is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Low	1		
E. Financial Compliance				
i. During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the HOME program as evidenced through one or more violations of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 **OR** one or more vacancies for key financial management staff of HOME programs have existed for more than six months**. (Key financial management staff is defined as staff with direct oversight of financial records and/or distribution of program funds.)**	High	5		
ii. Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial staff have existed for the past 3 to 6 months **AND** key financial staff have been hired in the past program year, and have not received HOME financial management training.	Medium	3		
iii. No financial management deficiencies have been identified as evidenced through violations or findings **AND** any key financial staff vacancies have existed for less than three months **AND** any key staff hired in the past program year has received HOME financial management training.	Low	0		
Subtotal for Financial Assessment (Max. 20 pts.)		**SUBTOTAL:**		

FACTOR 2. PHYSICAL

Factor Definition: Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

Rating Considerations: HOME funds are used almost exclusively for physical activity (rehabilitation, new construction). Consequently, the Evaluator needs to assess the quality of physical development activities undertaken with HOME funds.

The Evaluator should award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below.

FACTOR 2 – PHYSICAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Physical Condition of Projects				
i. HUD has not conducted an onsite review of the physical conditions of any HOME units in more than 3 years **OR** Previous monitoring (on-site or remote) identified findings concerning the physical condition of HOME properties which have not been resolved as of this date **OR** HOME projects did not meet applicable standards at completion or are not maintained in standard and habitable conditions for the last two most recently completed program years which was determined by such means as the CAPER review or citizen correspondence.	High	12		
ii. HUD has not conducted an onsite review of the physical conditions of any HOME units in the past 3 years **OR** HOME projects did not meet applicable standards at completion **OR** are not maintained in standard and habitable conditions for the most recently completed program year which was determined by such means as the CAPER review or citizen correspondence.	Medium	6		
iii. An onsite review of the physical conditions of HOME units during the last twelve months by HUD, CAPER review or citizen correspondence indicates that HOME projects are meeting applicable standards at completion and are maintained in standard and habitable condition as of the date of this review.	Low	1		
Subtotal for Physical Assessment (Max. 12 pts)	**SUBTOTAL:**			

FACTOR 3 - MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff and the grantee's administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as lack of progress in implementing activities, change in staff during the last year, lack of experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee to carry out activities. Additionally, OIG audits and related reporting systems can be considered, including but not limited to, Con Plans, CAPERs, Technical Assistance Plans, IDIS, and other reporting mechanisms. Environmental Compliance, Relocation and Acquisition Policies Compliance and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to subfactors A through L. Choose only one risk score for each subfactor from the risk score column listed below.

FACTOR 3 - MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
Program Complexity – The following elements contribute to the overall complexity of the administration of the HOME program by the PJ.				
A. Staff Capacity				
i. During the most recent program year, key program staff has demonstrated an inability to administer the HOME program as evidenced through serious or numerous violations of regulations, reoccurring monitoring finding(s) or failure to resolve open findings timely, or poor performance that is ongoing, that the PJ has failed to improve within a reasonable time period **OR** one or more vacancies for key HOME staff have existed for more than six months. **(Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations.)**	High	10		
ii. Although no issues as specified in (i) above have been identified, one or more vacancies for key HOME program staff have existed for the past 3 to 6 months **OR** key program staff have been hired in the past two program years, but lack necessary experience and have not received or need program training.	Medium	5		
iii. No program deficiencies have been identified as evidenced through violations or findings or poor performance **AND** any key staff vacancies have existed for less than three months **AND** any key staff hired in the past program year has received or do not need program training.	Low	1		
B. Program Design				
i. PJ is administering more than three HOME-funded programs **OR** since the HOME program was last monitored on-site, the PJ has undertaken new programs or made changes to an existing program.	High	2		
ii. Not applicable	Low	0		
C. Program Administration				
i. Program functions are being administered and carried out by other entities such as: state recipients, subrecipients, contractors, lenders, and/or real estate professionals.	High	2		
ii. Not applicable	Low	0		
D. Multiple Funding Sources				
i. In the last three years, the PJ has funded the development of large rental projects (25 or more units) **OR** has funded the development of other rental projects that involve three or more funding sources.	High	2		
ii. Not applicable	Low	0		
E. CHDO activities				
i. Based on the PR 25 or SNAPSHOT reports, the PJ's CHDO activities are not progressing from reservations to commitment, from commitments to disbursement or CHDOs are carrying out activities in which they lack substantial experience **OR** that are	High	3		

complex (i.e., funding from more than one source, more than 25 units, or new project types) in nature.				
ii. Not Applicable	Low	0		
F. Affordability Requirements				
i. More than one project in the most recently completed program year has not complied with affordability requirements.	High	3		
ii. Not applicable	Low	0		
G. On-Site Monitoring				
i. HUD has not conducted an on-site monitoring of the HOME program for this grantee within the last two program years **OR** the grantee is administering a HOME funded program that has never been monitored **OR** there are one or more findings that are not on track for resolution.	High	12		
ii. HUD has conducted an on-site monitoring of the HOME program within the last two program years AND finding(s) were identified that require additional follow-up to validate corrective actions taken or to be taken to resolve the finding(s).	Medium	8		
iii. HUD has conducted an on-site monitoring of the HOME program within the last two years AND no findings were identified.	Low	0		
H. Ongoing Project Monitoring by PJ's				
i. In the three most recent program years, monitoring or other information available to the field office (e.g., through sampling, inquiries, CAPER or complaints) indicated that the PJ was not monitoring or might not be adequately monitoring HOME rents, income targeting and income determinations, and physical conditions of projects during a period of affordability **OR** you don't know/can't determine.	High	5		
ii. In the three most recent program years, the PJ's ongoing monitoring of HOME projects during affordability periods has been monitored and was found to be compliant with HOME regulations **OR** the field office tested compliance with ongoing project monitoring requirements (e.g., through sampling) and the results suggested that the PJ is compliant with HOME requirements for project monitoring.	Low	0		
I. Subrecipient/ State Recipient /Consortia Members Capacity and Oversight				
i. Available information (e.g., internal PJ monitoring reports, monitoring plans, audits, citizen correspondence, previous HUD monitoring audits, etc.) indicate that PJ has not carried out oversight responsibilities with respect to subrecipients/state recipients/consortia members or has not reviewed performance of subrecipients/state recipients/consortia members within the last two program years **OR** has reviewed the performance of subrecipients/state recipients/consortia members and identified performance or compliance issues **OR** you don't know/can't determine.	High	5		
ii. The PJ is exercising adequate oversight of subrecipients/state recipients/consortia members but available information (as listed in i. above) indicates that subrecipient/state recipient/consortia member staff lack housing experience **OR** they have limited	Medium	3		

knowledge of the HOME program **AND** have not received HOME training.				
iii. Available information (as listed in i. above) indicates that PJ is overseeing the operations of subrecipients/state recipients/consortia members and that training is provided when necessary, **OR** the PJ does not rely on subrecipients/state recipients/consortia members to administer its program.	Low	0		
J. CHDO Oversight				
i. Available information (e.g., internal monitoring reports, audits, previous HUD monitoring) indicates that the PJ may not be correctly qualifying organizations as CHDOs (including assessing CHDO capacity) **OR** may not be adequately overseeing the eligibility of projects **OR** you don't know/can't determine.	High	6		
ii. Available information (as listed in i. above) indicates that the PJ is correctly qualifying organizations as CHDOs (including assessing CHDO capacity) AND is performing adequate oversight of the eligibility of projects for CHDO set-aside funding.	Low	0		
K. OIG Audit				
i. A previous OIG Audit identified one or more findings that have not been cleared **OR** the grantee is not on schedule for carrying out agreed upon corrective action(s) as of the date of this review.	High	3		
ii. All findings from previous audits have been cleared as of the date of this review **OR** no previous OIG audits were conducted on the PJ's programs.	Low	0		
L. Environmental/Relocation/Flood Insurance Protection				
i. The PJ has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	High	2		
ii. The PJ has demonstrated a record of program compliance or has no known compliance problems with either Environmental (Part 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	Low	0		
Subtotal for Management Assessment (Max. 55 Pts.)		**SUBTOTAL:**		

FACTOR 4 - SATISFACTION

Factor Definition: Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client or citizen-originated correspondence, grantee responses, FOIA, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, CAPERs, and automated tracking systems.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the risk score column listed below.

FACTOR 4 – SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Citizen Complaints				
i. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and when considering the PJ's response, resulted in violations of HOME regulations or findings.	High	2		
ii. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and, considering the PJ's response, have not been found to be violations of HOME regulations but are concerns that could lead to possible future violations if not addressed by grantee.	Medium	1		
iii. No valid complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	0		
B. Responsiveness				
i. The PJ has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year	High	2		
ii. The PJ has responded to complaints and/or citizen inquiries **OR** has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0		
Subtotal for Satisfaction Assessment (Max. 4 Pts.)		**SUBTOTAL:**		

FACTOR 5 – SERVICES

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele**.**

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from but not limited to: Consolidated Plans, Annual Performance Plans, CAPERs, correspondence, release of funds requests, local, HQ or grantee-generated automated reports or spreadsheets, or IDIS. The Evaluator should consider the grantee's overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the risk score column listed below.

FACTOR 5 – SERVICES	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Income Targeting				
i. Income determinations procedures have not been monitored within the most recent three program years for one or more HOME programs being administered by the PJ **OR** evidence available to the Field Office indicates that the PJ may not be meeting income-targeting requirements or was incorrectly determining income.	High	4		
ii. Previous monitoring has found that the PJ did not meet income-targeting requirements	Medium	2		

AND additional follow-up is needed to validate corrective actions.				
iii. PJ is meeting income-targeting requirements based on available information (e.g., audits, complaints) **OR** monitoring of income determination procedures within last 3 years indicates compliance.	Low	0		
B. Open Activities Report				
i. The Open Activities Report shows that a large number of PJ projects have been committed 12 or more months with no draws **OR** the Open Activities Report shows that a large number of committed PJ projects have had partial draws with no additional draws for 12 or more months **OR** the Open Activities Report shows that a large number of PJ projects have been in final draw (FD) status for more than 120 days **OR** for PJs with rental projects, the most recent SNAPSHOT report shows that the percent of occupied units to all completed rental units is less than 80%.	High	5		
ii. The Open Activities report shows that PJ projects have been committed for 12 or more months with no draws **OR** for PJs with rental projects, the most recent SNAPSHOT report shows that the percent of occupied rental units to all completed rental units is between 80% and 90%.	Medium	3		
iii. The Open Activities Report shows that no PJ projects have been committed 12 or more months with no draws **AND** the Open Activities Report shows that no PJ projects have been in final draw (FD) status for more than 120 days **AND** for PJs with rental projects, the most recent SNAPSHOT report shows that the percent of occupied rental units to all completed rental units is 90% or greater.	Low	0		
Subtotal for Services Assessment (Max. 9 pts.)		**SUBTOTAL:**		

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	20	
2. Physical	12	
3. Management	55	
4. Satisfaction	4	
5. Services	9	
Total	**100**	

Part II To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, X)	

Exceptions:

- **A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).**
- **B. High-risk grantee or high-risk program(s) were monitored within the last two years.**
- **C. Grantee will be provided technical assistance or training in current Fiscal Year.**
- **X. Other (explain)**

CPD Management Representative(s) _____ Date: _____

Attachment A-3

Emergency Shelter Grants Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's Comment Box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 - FINANCIAL:
Factor Definition: Extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from but not limited to, financial management and information system such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits, assessment of grantee's drawdown history, submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 - FINANCIAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Grant Amount				
i. The community's grant amount for the most recently completed program year falls within the top 10% of all ESG funded communities within the Office's jurisdiction for	High	3		

the same program year.				
ii. The community's grant amount for the most recently completed program year falls between 11-50% of all ESG grants awarded within the Office's jurisdiction within the same program year.	Medium	2		
iii. The community's grant amount for the most recently completed program year falls within the lowest 50% of all ESG grants awarded within the Office's jurisdiction within the same program year.	Low	1		
B. Audits				
i. An A-133 Audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe **OR** a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	2		
ii. An A-133 Audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period, as well as all audits within the last three program years have been submitted **AND** the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Low	1		

C. 24 Month Expenditure Provisions				
i. The grantee has violated the most recent 24-month expenditure deadline (evidenced by the most recent CAPER, IDIS PR02 or other reports).	High	10		
ii. Within the last three years the grantee failed to meet the 24 month expenditure deadline at least once.	Medium	5		
iii. Over the last three years the grantee has not demonstrated any problem with meeting the 24-month expenditure deadline.	Low	0		
D. Financial Compliance				
i. During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the ESG program as evidenced through one or more violation of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 **OR** one or more vacancies for key financial management staff of ESG programs have existed for more than six months. **(Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds.)**	High	10		
ii. Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial staff have existed for the past 3 to 6 months **OR** key financial staff have been hired in the past program year and have not received ESG financial management training.	Medium	5		
iii. No financial management deficiencies have been identified as evidenced through violations or findings **AND** any key financial staff vacancies have existed for less than three months **AND** any key staff hired in the past program year has received ESG financial management training.	Low	0		
Subtotal for Financial Assessment (Max. 25 pts.)		**SUBTOTAL:**		

FACTOR 2. PHYSICAL

Factor Definition: Extent to which HUD-funded physical assets are maintained and operated according to established standards.

Rating Considerations: ESG funds are often used for rehabilitation activities. Consequently, the Evaluator needs to assess the quality of the physical conditions of ESG-rehabilitated properties.

The Evaluator should award a point value to subfactor A. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 - PHYSICAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Rehabilitation can be used to refer to any of the three ESG categories of Renovation, Major Rehabilitation, or Conversion ■ **Renovation** is defined as the costs of improvements that are *less than 75 percent* of the value of the building before rehabilitation. A shelter receiving this level of improvement must be used as a shelter for at least *3 years*. ■ **Major Rehabilitation or Conversion** is defined as the costs of improvement that are *more than 75 percent* of the value of the building before rehabilitation. A shelter receiving this level of improvement must be used as a shelter for at least *10 years*. ■ **Note:** The 3- or 10-year period of use requirement starts on the date of initial occupancy for a building that had not previously been operated as a shelter. The date the ESG funds are obligated to a shelter starts the applicable use requirement where the building was previously operated as a shelter.				
i. HUD has not conducted an on-site review of the physical conditions of any ESG rehabilitation project within the past three program years **OR** previous monitoring (on-site or remote) identified findings concerning the physical condition of ESG rehabilitated properties that remain unresolved **OR** the Field Office is aware that the grantee has not met its services obligation for the ESG continued use requirements (either three years for renovation, or ten years, for major rehabilitation or conversion, as applicable).	High	13		
ii. HUD has not conducted an on-site review of the physical conditions of any ESG rehabilitation project within the past two program years **OR** previous monitoring (on-site or remote) identified findings concerning the physical condition of ESG rehabilitated properties that have been resolved.	Medium	7		
iii. HUD has conducted an on-site review of the physical conditions during the last two program years **AND** there were no findings relating to rehabilitation **OR** grantee did not use ESG funds for rehabilitation.	Low	0		
Subtotal for Physical Assessment (Max. 13 pts.)	**SUBTOTAL:**			

FACTOR 3. MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the grantee's capacity to administer the grant, including: scope of eligible activities and recipients; progress in implementing the project, changes in staff during the last year, lack of experience with Federal grants or project activities, and frequency and level of technical assistance required by the grantee to carry out activities. Additionally, OIG audits and related reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Integrated Disbursement and Information System (IDIS), and other reporting mechanisms. Environmental Compliance, Relocation and Acquisition Policies Compliance and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to subfactors A through G. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 3 - MANAGEMENT	**Risk Category**	**Risk Score**	**Rater's Rating**	**Rater's Comments**
A. Program Complexity				
i. Grantee has taken on rehabilitation or homeless prevention as new activities, which the grantee has not previously carried out **OR** grantee funds more than three subrecipients **OR** subrecipient management issues have been identified in the past program year.	High	5		
ii. Grantee is undertaking rehabilitation or homeless prevention activities, but not as new activities **OR** subrecipient management issues have been identified in the past two program years.	Medium	3		
iii. Grantee is not undertaking rehabilitation or homeless prevention activities **AND** there are no known subrecipient management issues.	Low	0		

B. Timely and Accurate Submissions				
i. One and/or more of grantee's required submissions for the most recent program year are incomplete **OR** are received 30 days or more after prescribed timeframes **OR** contain inaccurate data on key compliance areas such as expenditure caps and matching requirements. Submissions include: Consolidated Plans, Annual Actions Plans and CAPERs during the most recent program year.	High	5		
ii. While all documents indicated in (i.) above are timely, current and accurate for the most recent program year, in the three most recent program years at least one of the submissions has not been received within the prescribed timeframe **OR** was incomplete OR contained inaccurate data.	Medium	3		
iii. All grantee's required submissions are complete **AND** have been received by the Field Office within thirty days of the prescribed timeframes for the three most recent program years.	Low	0		
C. Program Administration CAP				
i. The grantee has exceeded the administration CAP for the ESG program for the most recently completed program year.	High	5		
ii. The grantee has not exceeded the administration CAP for the most recent program year, however the grantee has exceeded the CAP one or more times within the last three program years.	Medium	3		
iii. The grantee has not exceeded the administration CAP during the three most recently completed program years.	Low	0		
D. Staff Capacity				
i. During the most recent program year, key program staff have demonstrated an inability to administer the ESG program as evidenced through serious or numerous violations of regulations, reoccurring monitoring finding(s) or failure to resolve open findings timely, or poor performance that is ongoing that the grantee has failed to improve within a reasonable time period **OR** one or more vacancies for key ESG staff have existed for more than six months. **(Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations.)**	High	10		
ii. Although no issues as specified in (i) above have been identified, one or more vacancies for key ESG program staff have existed for the past 3 to 6 months **OR** key program staff have been hired in the past two program years, but lack necessary experience and have not received or need program training.	Medium	5		
iii. No program deficiencies have been identified as evidenced through violations or findings or poor performance **AND** any key staff vacancies have existed for less than three months **AND** any key staff hired in the past program year have received or do not need program training.	Low	1		

E. OIG Audit				
i. A previous OIG Audit identified one or more findings that have not been cleared **OR** the grantee is not on schedule for carrying out agreed upon corrective action(s) as of the date of this review.	High	2		
ii. All findings from previous audits have been cleared as of the date of this review **OR** no previous OIG audits were conducted on the grantee's programs.	Low	0		
F. On-Site Monitoring				
i. HUD has not conducted an on-site monitoring of the ESG program for this grantee within the last two program years **OR** the grantee is administering a ESG funded program that has never been monitored **OR** there are one or more findings that are not on track for resolution.	High	15		
ii. HUD has conducted an on-site monitoring of the ESG program within the last two program years AND finding(s) were identified that require additional follow-up to validate corrective actions taken or to be taken to resolve the finding(s).	Medium	8		
iii. HUD has conducted an on-site monitoring of the ESG program within the last two years AND no findings were identified.	Low	1		
G. Environmental/Relocation/Flood Insurance Protection				
i. The grantee has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	High	2		
ii. The grantee has demonstrated a record of program compliance or has no known compliance problems with either Environmental (Part 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	Low	0		
Subtotal for Management Assessment (Max. 44 pts.)		**SUBTOTAL:**		

FACTOR 4. SATISFACTION

Factor Definition: Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from but not limited to: client or citizen-originated correspondence, grantee responses, FOIA, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, CAPERs, and automated tracking systems.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 4 - SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Citizen Complaints				
i. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and, when considering the grantee's response, resulted in violations of ESG regulations or findings.	High	2		
ii. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and, considering the grantee's response, have not been found to be violations of ESG regulations but are concerns that could lead to possible future violations if not addressed by grantee.	Medium	1		
iii. No valid complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	0		
B. Responsiveness				
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year.	High	2		
ii. Grantee has responded to complaints and/or citizen inquiries **OR** has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0		
Subtotal for Satisfaction Assessment (Max. 4 pts) **SUBTOTAL:**				

FACTOR 5 - SERVICES

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from but not limited to: Consolidated Plans, Annual Performance Plans, CAPERs, correspondence, release of funds requests, local, HQ or grantee-generated automated reports or spreadsheets, IDIS. The Evaluator should consider the grantee's overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 5 – SERVICES	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Meeting Program Objectives				
i. Sanctions have been placed on grantee for failing to meet program requirements (which includes all expenditure caps, i.e., program administration, homeless prevention, essential services, and staff salaries for operations management) during the most recently completed program year **OR** the grantee is not complying with sanctions that were previously placed on them within the three most recent program years **OR** there are known problems identified through review of reports or information received that indicate grantee is currently not in compliance or is carrying out ineligible activities.	High	8		
ii. The grantee has been in noncompliance for meeting program requirements or carrying out ineligible activities one or more times within the past three years **AND** the grantee is currently working toward compliance.	Medium	4		
iii. Activities carried out by grantee during the three most recent program years are in compliance with program requirements **AND** there are no known problems.	Low	1		
B. Homeless Prevention				
i. Monitoring activity in the past two years determined that Homeless Prevention activity costs were misclassified or were not serving an eligible population **OR** Homeless Prevention activity costs exceed more than 30 percent of the annual allocation during the most recently completed program year.	High	3		
ii. Homeless Prevention activities did not exceed more than 30 percent of the annual allocation during the most recent program year; however, monitoring activity in the past three program years determined homeless prevention activity costs were misclassified or were not serving an eligible population, or exceeded more than 30 percent of the annual allocation.	Medium	2		

iii. Homeless Prevention activities are classified properly and limited to no more than 30 percent of annual allocation during the past three program years.	Low	0		
C. Essential Services				
i. Monitoring activity in the past two years determined that Essential Service activity costs were misclassified **OR** Essential Service activity costs exceed more than 30 percent of the annual allocation during the most recently completed program year and no waiver was granted.	High	3		
ii. Essential Services activities were classified properly and the grantee did not exceed 30% of the annual allocation or a waiver was granted; however, oversight activity in the past three years determined that Essential Service activity costs were misclassified or the 30 percent annual allocation was exceeded without an approved waiver.	Medium	2		
iii. Essential Services activities are classified properly and limited to no more than 30 percent of annual allocation during the three most recently completed program years. In cases where more than 30 percent has been expended, the grantee has requested and was granted a waiver.	Low	0		
Subtotal for Services Assessment (Max. 14 pts.)		**SUBTOTAL:**		

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	25	
2. Physical	13	
3. Management	44	
4. Satisfaction	4	
5. Services	14	
Total	**100**	

Part II To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, X)	

Exceptions:

- **A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).**
- **B. High-risk grantee or high-risk program(s) were monitored within the last two years.**
- **C. Grantee will be provided technical assistance or training in current Fiscal Year.**
- **X. Other (explain)**

CPD Management Representative(s) _____ Date: _____

Attachment A-4

HOPWA Program
Formula Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems, or readily available information.

FACTOR I - FINANCIAL

Factor Definition: Extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information system such as: Integrated Disbursement and Information System (IDIS), audit management systems, A-133 audits assessment of grantee's draw-down history (i.e., IDIS/LOCCS/PAS), submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 - FINANCIAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Grant Amount				
i. The grantee's formula allocation for the most recently completed program year is equal to $3,000,000 or more.	High	5		
ii. The grantee's formula allocation for the most recently completed program year is between $1,500,000 to $2,999,999.	Medium	3		
iii. The grantee's formula allocation for the most recently completed program year is under $1,500,000.	Low	1		
B. Timely Expenditures				
i. The ratio of undisbursed funds to the current award is equal to or exceeds 3:1.	High	10		
ii. The ratio of undisbursed funds to the current award lies between 1.51:1 and 2.99:1.	Medium	5		
iii. The ratio of undisbursed funds to the current award is 1.5:1 or less.	Low	1		

C. Audits				
i. An A-133 Audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe **OR** a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
ii. An A-133 Audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period, as well as all audits within the last three program years have been submitted **AND** the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Low	1		
D. Financial Compliance				
i. During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the HOPWA program as evidenced through one or more violation of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 **OR** it is known that key financial staff has less than six months experience**. (Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds.)**	High	5		
ii. Although no violations of regulations have been identified as specified in (i) above, key financial staff have been hired in the past program year and have not received HOPWA financial management training.	Medium	3		
iii. No financial management deficiencies have been identified as evidenced through violations or findings **AND** any key staff hired in the past program year has received HOPWA financial management training.	Low	1		
Subtotal for Financial Assessment (Max. 25pts.)	**SUBTOTAL:**			

FACTOR 2 - PHYSICAL

Factor Definition: Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

Rating Consideration: The basis for Evaluator's rating is derived from HUD's inspection of records and reports, observation of the grantee's proper use of established forms and procedures, information received through public comments, A-133 or other audits and other sources of information. The Evaluator should consider any existing or previously identified problems with the physical assets and the extent to which problems have been, or are likely to be corrected; whether HUD funds are used for acquisition, construction or rehabilitation activities; the number of sites at which HUD funded physical assets are located and the activities supported by the physical asset and the extent of any previous on site monitoring**.**

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 - PHYSICAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Existing or Previous Physical Asset Problems				
i. A problem or finding has been identified in the development, design, maintenance or operation of a HOPWA-funded physical asset or other physical site-related activity; and has not been resolved as of the date of this review **OR** the physical asset has not been monitored within the most recent three program years.	High	5		
ii. An identified problem or finding with the development, design, maintenance or operation of the physical asset is currently subject to corrective action pursuant to a HUD-approved schedule or plan; and is on schedule.	Medium	3		
iii. The development, design, maintenance and operation of the physical asset are satisfactory **OR** any previously identified problem has been corrected **AND** no known problems exist.	Low	1		
B. Acquisition, Construction and Rehabilitation of Physical Assets				
i. HOPWA funds were used for the acquisition or construction or rehabilitation of twenty-four or more units of a physical asset within the most recent three program years.	High	5		
ii. HOPWA funds are used for the rehabilitation of less than twenty-four units of a physical asset **OR** are used at an existing property currently used for housing or residential programs within the most recent three program years.	Medium	3		
iii. No HOPWA funds are used for the acquisition, construction or any rehabilitation of a physical asset, excluding minor maintenance or repairs within the most recent three program years.	Low	1		
C. Multiple Sites for Physical Assets				
i. HOPWA funds are used for the development, or maintenance or operation of physical assets at more than 7 current facility sites within the most recent three	High	5		

program years.				
ii. HOPWA funds are used for the development, or maintenance or operation of physical assets at 1-6 current facility sites at scattered sites within the most recent three program years.	Medium	3		
iii. HOPWA funds are used only to support activities not directly related to the development, or maintenance or operation of a physical asset such as any of the following: supportive services, tenant-based rental assistance, leasing of individual units, counseling, training, organizational capacity building, etc. during the most recent three program years.	Low	1		
Subtotal for Physical Assessment (Max. 15 pts.)	**SUBTOTAL:**			

FACTOR 3 - MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the grantee's capacity to administer the grant, including: scope of eligible activities and recipients; progress in implementing the project, changes in key staff during the last year, changes in the agency's missions or direction, regulatory violations, experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee before and during project. Additionally, OIG audits and related reporting systems can be considered, including but not limited to, Con Plans, CAPERS, Technical Assistance Plans, IDIS, and other reporting mechanisms. Environmental Compliance, Relocation and Acquisition Policies Compliance, and Flood Insurance Protection Compliance may be considered.

The Evaluator should award point values to subfactors A through F. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 3 – MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. OIG Audit				
i. A previous OIG Audit identified one or more findings that have not been cleared **OR** the grantee is not on schedule for carrying out agreed upon corrective action(s) as of the date of this review.	High	3		
ii. All findings from previous audits have been cleared as of the date of this review **OR** no previous OIG audits were conducted on the grantee's programs.	Low	0		
B. Staff Capacity				
i. During the most recent program year, key program staff has demonstrated an inability to administer the HOPWA program as evidenced through serious or numerous violations of regulations, reoccurring monitoring finding(s) or failure to resolve open findings timely, or poor performance that is ongoing, that the grantee has failed to improve within a reasonable time period **OR** one or more vacancies for key HOPWA staff have existed for more than six months. **(Key**	High	10		

staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations.)				
ii. Although no issues as specified in (i) above have been identified, one or more vacancies for key HOPWA program staff have existed for the past 3 to 6 months **OR** key program staff have been hired in the past two program years, but lack necessary experience and have not received or need program training.	Medium	5		
iii. No program deficiencies have been identified as evidenced through violations or findings or poor performance **AND** any key staff vacancies have existed for less than three months **AND** any key staff hired in the past program year has received or do not need program training.	Low	1		

C. On-Site Monitoring				
i. HUD has not conducted an on-site monitoring of the HOPWA program for this grantee within the last three program years **OR** there are one or more overdue open findings.	High	15		
ii. HUD has conducted an on-site monitoring of the HOPWA program within the last two program years, and if any findings were identified they were resolved, or there are open findings that are not overdue.	Medium	8		
iii. HUD has conducted an on-site monitoring of the HOPWA program within the last two years, and no findings were identified.	Low	1		
D. Timely and Accurate Submissions				
i. One or more of the grantee's required submissions are incomplete **OR** are received 30 days or more after prescribed timeframes. This includes: Consolidated Plans, Annual Action Plans, and CAPERs during the most recent program year.	High	5		
ii. While all documents indicated in i. (above) are current and up-to-date in the most recent program year, in the three most recent program years, at least one of the submissions has not been received within the prescribed timeframe **OR** was incomplete**.**	Medium	3		
iii. All grantee's required submission are complete **AND** been received by the Field Office within required timeframes for the three most recent program years.	Low	1		
E. Program Administration CAP				
i. The grantee has exceeded the administration CAP for the HOPWA program for the most recently completed program year**.**	High	5		
ii. The grantee has not exceeded the administration CAP for the most recent program year, however, the grantee has exceeded the CAP one or more times within the last three program years.	Medium	3		
iii. The grantee has not exceeded the administration CAP during the three most recently completed program years.	Low	1		
F. Environmental/Relocation/Flood Insurance Protection				
i. The grantee has not demonstrated a record of program compliance, or currently has known compliance problems with either Environmental (Part 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	High	2		
ii. The grantee has demonstrated a record of program compliance, or has no known compliance problems with either Environmental (Part 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	Low	0		

Subtotal for Management Assessment (Max. 40 pts.)	**SUBTOTAL:**	

FACTOR 4 - SATISFACTION
Factor Definition: Extent to which clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from correspondence or other communication to HUD, the grantee or other parties with respect to the project and any written or other responses by the grantee. The Evaluator should consider any recent problems, such as citizen complaints and the grantee/project sponsor's response/failure to submit reports or respond to inquiries, and the loss of community support.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 4 - SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Citizen Complaints				
i. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and, when considering the grantee's response, resulted in violations of HOPWA regulations or findings.	High	5		
ii. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and, when considering the grantee's response, have not been found to be violations of HOPWA regulations but are concerns that could lead to possible future violations if not addressed by grantee	Medium	3		
iii. No valid complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	0		
B. Responsiveness				
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year.	High	5		
ii. Grantee has responded to complaints and/or citizen inquiries **OR** has not received any complaints forwarded through HUD within prescribed timeframes.	Low	0		
Subtotal for Satisfaction Assessment (Max. 10 pts.)	**SUBTOTAL:**			

FACTOR 5 - SERVICES

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

Rating Consideration: The Evaluator should consider the planned program support and how it is appropriately being carried out to address the intended range of housing needs and related supportive service issues, including any specialized efforts for sub-populations of homeless clients (or persons with HIV/AIDS for HOPWA) or difficulty in serving the proposed number of participants or moving homeless clients to permanent housing. The Evaluator's rating in this factor is derived from information that could be obtained from but not limited to: Consolidated Plans, Annual Performance Plans, CAPERS, correspondence, release of funds requests, local, HQ or grantee-generated automated reports or spreadsheets.

The Evaluator should award point values to subfactors A and B. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 5 – SERVICES	**Risk Category**	**Risk Score**	**Evaluator Rating**	**Evaluator's Comments**
A. Meeting Program Objectives				
i. Sanctions have been placed on grantee for failing to meet program requirements during the most recently completed program year **OR** the grantee has not taken corrective actions to address outstanding sanctions that were previously placed on them within the three most recent program years **OR** there are known problems identified through review of reports or information received that indicate grantee is currently not in compliance, or is carrying out ineligible activities.	High	5		
ii. The grantee has been in compliance for meeting program requirements and has carried out eligible activities during the most recent program year; however, the grantee has not been in compliance one or more times for meeting program requirements or carrying out eligible activities within the three most recent program years.	Medium	3		
iii. Activities carried out by grantee during the three most recent program years are in compliance with meeting program requirements **AND** there are no known problems.	Low	1		
B. Multiple Sponsors				
i. A grantee carries out a program with five or more sponsors **AND/OR** the grantee or sponsor receives funding from more than two additional entities (e.g., HHS, State, City, Foundation) within the most recent three program years.	High	5		
ii. A grantee carries out a program with less than five sponsors **AND/OR** the grantee or sponsor receives funding from no more than two funding sources within the most recent three program years.	Low	1		
Subtotal for Services Assessment (Max. 10 pts.)	**SUBTOTAL:**			

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	25	
2. Physical	15	
3. Management	40	
4. Satisfaction	10	
5. Services	10	
Total	**100**	

Part II To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, X)	

Exceptions:

- **A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).**
- **B. High-risk grantee or high-risk program(s) were monitored within the last two years.**
- **C. Grantee will be provided technical assistance or training in current Fiscal Year.**
- **X. Other (explain)**

CPD Management Representative(s) _____ Date: _____

Attachment A-5

Competitive Grants Risk Analysis Worksheet

Part I – To Be Completed By CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____
Name of Program:_____ **Total Number of Open Grants Considered:**_____
Total Dollar Value of all Open Grants:_____
Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably
-

If a grantee has been awarded funds under more than one HUD competitive program, a separate worksheet should be completed for each competitive program carried out by the above named grantee. For example, a Continuum of Care (CoC) grantee has received funds under both the Supportive Housing Program and Shelter Plus Care (S+C) Program in addition to receiving a grant under the Youthbuild program. If so, separate worksheets must be completed, one for each of the HUD programs: SHP, S+C, and Youthbuild. If a grantee has multiple grants under one HUD program, use one worksheet per HUD program only. This worksheet has been designed for evaluating CPD's competitive programs. Although factors and subfactors are consistent for all competitive programs, rating criteria may differ in some cases for Continuum of Care grantees.

In completing this worksheet, the Evaluator should consider the total number of all active grants for each type of program awarded to a grantee. An active grant is defined as any grant within the field office's portfolio not closed out at the start of the risk analysis review process. The Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's Comment Box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

FACTOR 1 – FINANCIAL

Factor Definition: The extent to which a grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from information that could be obtained from, but not limited to, financial management to applicable NOFAs, approved or amended grant agreements, audit management systems, assessment of grantee's draw-down history (i.e., LOCCS/PAS), the submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems, grantee performance reports and any on-site or remote monitoring information as available.

The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 1 - FINANCIAL	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Total Grant Award Amount(s): The total amount of all grant awards being considered is:				
i. $ 1,000,000 or more	High	5		
ii. $ 400,000 – $ 999,999	Medium	3		
iii. $399,000 or less	Low	1		
B. Timely Expenditures.				
i. A grantee's performance has been untimely in the expenditure of funds in accordance with the length of the grant term, program requirements, grant agreements, or any amendments due to slow progress in making the project fully operational and at full capacity **OR** a prior problem of this nature has not been resolved as of the date of this assessment. **(Timely expenditure means funds are spent in proportion to the grant term.)**	High	5		
ii. A grantee is now performing adequately under a HUD requirement to correct an identified problem **OR** the matter is minor in nature and it is likely to be corrected following a HUD request for correction.	Medium	3		
iii. A grantee's performance is satisfactory **AND** any prior problem was corrected **AND** there are no known financial problems as of the date of this assessment.	Low	0		
C. A-133 Audits				
i. An A-133 Audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe **OR** a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
ii. An A-133 Audit has been submitted for the most recently completed reporting period, as well as all audits within the last three program years have been submitted and the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits **OR** the grantee is not required to conduct a single audit based on the $500,000 expenditure threshold.	Low	1		
D. Financial Compliance				
i. During the most recent completed program year, staff has demonstrated an inability to administer the financial management responsibilities for the competitive program as evidenced through one or more violations of regulations or deficiencies of Part 85, Part 84, A-87, or A-110 or such equivalent requirements as set forth by the program **OR** The staff demonstrates marginal understanding of Federal government financial requirements **OR** there are one or more vacancies for key financial management staff	High	5		

of competitive programs that have existed for more than six months and accounts do not appear to have been well managed. **(Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds.)** **If evaluating a Round II EZ** – In addition to the above, the following may also apply (a) the designee has a revolving loan fund, (b) program income is being generated, or (c) the designee has HUD findings regarding third party agreements that are connected to the reporting and management of a revolving loan fund or findings concerning program income that has been generated.				
ii. Although no substantial violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial vacancies have existed for the past 3 to 6 months, **OR** key financial staff have been hired in the past program year and have not received financial management training in this type of competitive program.	Medium	3		
iii. No financial management deficiencies have been identified as evidenced through violations or findings **AND** any key financial staff vacancies have existed for less than three months, **AND** any key staff hired in the past program year have received formal financial management training. **If evaluating a Round II EZ** – In addition to the above, the following may also apply (a) the designee does not have a revolving loan fund, (b) program income is not being generated, or (c) the designee does not have HUD findings regarding third party agreements that are connected to the reporting and management of a revolving loan fund or findings concerning program income that has been generated.	Low	0		
Subtotal for Financial Assessment (Max. 20 pts.)	**SUBTOTAL:**			

FACTOR 2 – PHYSICAL or RENTAL ASSISTANCE

Factor Definition: Extent to which HUD-funded physical assets are acquired, developed, maintained and operated according to established standards.

Rating Considerations: The basis of the Evaluator's rating is derived from HUD's inspection of records and reports, observations of the grantee's proper use of established forms and procedures, information received through public comments, A-133 or other audits, press accounts, and other sources of information. The Evaluator should consider any existing or previously identified problems with physical assets and the extent to which problems have been, or, are likely to be corrected; whether HUD funds are used for acquisition, construction or rehabilitation activities; the number of sites at which HUD-funded physical assets are located, and the activities supported by the physical asset; and the extent of any previous on site monitoring.

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 2 – PHYSICAL or RENTAL ASSISTANCE	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Existing or Previous Physical Assets				
i. A problem or finding has been identified in the acquisition, development, maintenance, disposition or operation of a HUD-funded physical asset **OR** a problem has been identified in the housing units funded with a rental assistance program (SRO or S+C) or administration of a HUD program that provides rental assistance, or a site-related activity that has not been resolved as of the date of this review **OR** the physical asset or rental assistance program has not been monitored within the most recent three program years and the grantee has not followed the required disposition procedures for the relevant competitive HUD program if applicable.	High	4		
ii. A problem or finding identified with the acquisition, development, maintenance, disposition, or operation of the physical asset or rental assistance program is currently subject to corrective action pursuant to a HUD-approved schedule or plan and the grantee has followed the required disposition procedures for the relevant competitive grant **OR** the grantee has violated a minor requirement of the disposition procedures for the relevant competitive HUD program if applicable.	Medium	3		
iii. The acquisition, development, maintenance, disposition and/or operation of the physical asset or rental assistance program is satisfactory **OR** any previously identified problem has been corrected. In addition, no other problems with the physical asset have been identified and the grantee has followed the required disposition procedures for the relevant competitive grant.	Low	1		
iv. No HUD funds are used for rental assistance, or for the acquisition, development, maintenance, disposition or operation of a physical asset.	None	0		
B. Acquisition, Construction and Rehabilitation of Physical Assets or Rental Assistance				
i. If evaluating a competitive CoC grantee – Funds are used for the acquisition, construction, rehabilitation, or rental assistance of twenty-four or more units of a physical asset. **If evaluating a Round II EZ -** Funds are used for the **acquisition, construction, or rehabilitation** of such physical assets as shopping centers, commercial centers, community centers, housing, etc. **For all other competitive grantees -** HUD funds are used for the acquisition, construction, or rehabilitation of twelve or more units of a physical asset, **OR** funds are used at an existing property used for business or in developing economic development opportunities.	High	4		
ii. **If evaluating a competitive COC grantee –** Funds are used for the acquisition,	Medium	3		

construction, or rehabilitation or rental assistance of twelve to twenty-three units **OR** are used at an existing property currently used for housing, support services such as s drop in center or residential programs **OR** funds are used at an existing property used for a support services only grant provided by SHP leasing, acquisition or rehabilitation. **For all other competitive grantees** HUD funds are used for the rental assistance, acquisition, construction, or rehabilitation of eleven or less units of a physical asset **OR** are used at an existing property currently used for housing or residential programs.				
iii. **If evaluating a CoC grantee –** CoC funds are used for the acquisition, construction, or rehabilitation or rental assistance of less than twelve units of a physical asset, **OR** are used at an existing property currently used for housing or residential programs. **For all other competitive grantees** HUD funds are used for the acquisition, construction, or rehabilitation or rental assistance of eleven or less units of a physical asset, **OR** are used at an existing property currently used for housing or residential programs and the grantee has followed the requirements for disposition.	Low	2		
iv. **If evaluating a CoC grantee –** No CoC funds are used for rental assistance, leasing, the acquisition, construction or any rehabilitation of a physical asset, excluding maintenance or repairs within the last four years. **If evaluating a Round II EZ -** No HUD funds are used for the **acquisition, construction or rehabilitation** of such physical assets as shopping centers, commercial centers, community centers, housing, etc. **For all other competitive grantees -** No HUD funds are used for the acquisition, construction or any rehabilitation of a physical asset, excluding maintenance or repairs.	None	0		
C. Multiple Sites for Physical Assets				
i. HUD funds are used for the acquisition, development, maintenance, or operations of physical assets or rental assistance at more than 3 facility sites during the grant term, **OR** for grants or programs with more than 24 scattered units funded through rental assistance. (Multiple facilities could be funded by multiple grants under more than one HUD program.)	High	4		
ii. HUD funds are used for the acquisition, development, or maintenance or operation of physical assets or rental assistance at 1-3 facility sites or less than 24 units of scattered sites with rental assistance. (Multiple facilities could be funded by multiple grants under more than one HUD program.)	Medium	2		
iii. HUD funds are used exclusively to support activities not related to rental assistance or the acquisition, development, maintenance or operation of a physical	Low	0		

asset such as any of the following: supportive services, counseling, training, organizational capacity building, etc.					
Subtotal for Physical Assessment (Max. 12 pts.)	**SUBTOTAL:**				

FACTOR 3 - Management:
Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from information that could be obtained from, but not limited to, consideration of the knowledge, skills and ability of program staff and the grantee's administrative capacity to manage the grant, including: the eligibility of activities and recipients; or problems such as the lack of progress in implementing a project; rapid staff and/or board turnover; major changes in the agency's mission or direction; lack of experience with Federal grants or project activities; and the frequency and level of technical assistance required by the grantee before and during project. Additionally A-133 and OIG audits and related reporting systems may be considered. Evaluator should also include other functional issues related to carrying out and impacting on overall program activities, which include: environmental and wage requirements, flood insurance protection compliance as well as compliance with relocation and acquisition policies.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 3 – MANAGEMENT	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Staff Capacity				
i. If evaluating a CoC grantee – During the most recent program year, key program staff has demonstrated an inability to administer the program as evidenced through serious or numerous violations of regulations, OR **one or more vacancies for key staff have existed for more than six months.** During the most recent program year, staff has demonstrated **an inability** to administer this program as evidenced by the following: one or more violations of regulations or terms of the SuperNOFA funding, grant agreement, special conditions for funding; reoccurring monitoring finding(s) or failure to resolve open findings timely, or poor performance that is ongoing that the grantee has failed to improve within a reasonable time period **OR** staff hired within the most recently completed program year or prior years has not received program training and has not demonstrated a basic understanding of the HUD requirements **OR** two or more valid complaints from clients, funders or other employees about staff capacity have been received by HUD. For **all other competitive grantees** - During the most recent program year, staff has demonstrated an inability to administer this program as evidenced through one or more violations of regulations or monitoring findings related to this competitive program that the grantee has failed to resolve within the last six months **OR** there are one or more key staff vacancies that have existed for more than six months. **(Key staff is defined as staff with assigned management and/ or administrative**	High	20		

responsibilities for program compliance with rules and regulations.) **If evaluating a Round II EZ-** During the most recent program year, staff has demonstrated an inability to administer this program as evidenced through one or more violations of regulations, grant agreement, MOA, **OR** the designee uses subrecipients to carry out grant-funded activities **OR** the designee has demonstrated problems managing subrecipients **OR** the designee and/or subrecipient has open HUD and/or audit findings regarding issues such as third party agreements, subrecipient's internal controls, procurement, conflict of interest, and program income.				
ii. If evaluating a CoC grantee – During the most recent program year, staff has demonstrated a **marginal ability** to administer this program as evidenced through one or more concerns about regulations, or terms of the SuperNOFA funding, grant agreement, special conditions for funding, **OR** monitoring findings that the grantee has not fully resolved, **OR** there are one or more vacancies for key staff that have existed for more than three months or frequent turn over of staff **OR** one or more major **valid** complaint**s** from clients, funders or other employees about staff capacity **For all other competitive grantees (including Round II EZs) -** During the most recent program year, staff has demonstrated a **marginal ability** to administer this program as evidenced through one or more concerns of possible violations of regulations or monitoring findings related to this competitive program that the grantee has failed to resolve within the last six months **OR** there are one or more key staff vacancies that have existed for more than three months. **(Key staff is defined as staff with assigned management and/or administrative responsibilities for program compliance with rules and regulations.)**	Medium	10		
iii. For use in evaluating CoC or other Competitive grantees- No program deficiencies have been identified as evidenced through violations or findings as indicated in (i) above **AND** any key staff vacancies for the program have existed for less than three months **AND** any key staff hired in the past program year have received training in this program. **For evaluating a Round II EZ-** During the most recent program year, staff has demonstrated an ability to administer this program **OR** the designee does not use subrecipients to carry out grant funded activities **OR** the designee does not demonstrate problems managing subrecipients **OR** the designee and/or subrecipient does not have open HUD and/or audit findings regarding issues such as third party	Low	1		

agreements, subrecipient's internal controls, procurement, conflict of interest, and program income.				
B. OIG Audit				
i. A previous OIG Audit identified one or more recommendations that have not been cleared **OR** the grantee is not on schedule for carrying out such recommendations as of the date of this review.	High	3		
ii. All findings from previous audits have been cleared as of the date of this review **OR** no previous OIG audits were conducted on the grantee's programs.	Low	0		
C. On Site Monitoring				
i. HUD has not conducted an on-site monitoring of the homeless or competitive program (as applicable) for this grantee within the last three program years **OR** there is one overdue open finding **OR** the grantee has increased significantly the number of HUD grants it administers or has undertaken a different HUD program not previously monitored and new to this grantee since the last monitoring HUD has not conducted an on-site monitoring of the **Round II EZ** within the last **two years OR** there are two or more overdue open significant findings, **Or** without adding administrative capacity, the grantee has increased significantly the number of HUD grants it administers or has undertaken a different HUD program not previously monitored and new to this grantee since the last monitoring.	High	15		
ii. HUD has conducted an on-site monitoring of the homeless or competitive program (as applicable) within the last two program years **AND** there are open findings. **If evaluating a Round II EZ-** HUD has conducted an on-site monitoring of a **Round II EZ** within the last **two years AND** there are open findings.	Medium	8		
iii. HUD has conducted an on-site monitoring of the homeless or competitive program (as applicable) within the last two years **AND** no findings were identified or all findings have been resolved. **If evaluating a Round II EZ-** HUD has conducted an on-site monitoring of a **Round II EZ** within the last **two years AND** no findings were identified or all findings have been resolved.	Low	1		

D. Timely and Accurate Submissions				
i. One or more of the grantee's required submissions are incomplete **OR** are received 30 days or more after prescribed timeframes **OR** the grantee is unresponsive to HUD requests via telephone, email or letters. This includes: annual performance reports, inquires by HUD and technical submissions as appropriate during the most recent program year. **If evaluating a Round II EZ**- PERMS reports were incomplete and untimely.	High	3		
ii. While all documents indicated in i. (above) are current and up-to-date for the most recent program year, in the three most recent program years, **at least one** of the submissions has not been received within the prescribed timeframe **OR was incomplete.**	Medium	2		
iii. All grantee's required submissions are complete **AND** have been received by the Field Office within required timeframes for the **three most recent program years.** **If evaluating a Round II EZ**- PERMS reports were complete and timely.	Low	0		
E. Environmental/Relocation/Flood Insurance Protection				
i. The grantee has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 50 or 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	High	2		
ii. The grantee has demonstrated a record of program compliance or has no known compliance problems with either Environmental (Part 50 or 58), Uniform Relocation Acquisition Act or Flood Insurance Protection requirements.	Low	0		
Subtotal for Management Assessment (Max. 43 pts.) **SUBTOTAL:**				

FACTOR 4 - SATISFACTION

Factor Definition: Extent to which clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services provided through HUD funds or in partnership with HUD such as rental assistance, capital for development, Homeless Management Information System, support services, operations, etc.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from correspondence or other communication to HUD, the grantee or other parties with respect to the program, and any written or other responses by the grantee. Consider any recent problems, such as citizen complaints and the grantee/project sponsor 's response/ failure to submit reports or respond to inquiries, and the loss of community support. For homeless grantees, also consider the

use of case management intake procedures in providing on-going support, client surveys, resident advisory councils and other means of achieving appropriate support from stakeholders.

The Evaluator should award point values to subfactor A. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 4 – SATISFACTION	**Risk Category**	**Risk Score**	**Evaluator's Rating**	**Evaluator's Comments**
A. Citizen Complaints				
i. Citizen complaints have been received during the last program year through such sources as: citizen letters, phone calls, emails, clients or others associated with the grantee, hot line complaints, newspapers articles, other local or federal government funders, radio, television, etc., and, when considering the grantee's response, result in violations of program regulations, findings, grant agreement requirements and no satisfactory resolution has been offered by the grantee.	High	5		
ii. Citizen complaints have been received during the last completed program year through such sources as: citizen letters, phone calls, emails, client or others associated with the grantee, other local or federal government funders, hot line complaints, newspapers articles, radio, television, etc., and, considering the grantee's response, have not been found in violations of program regulations but there are concerns that could lead to future violations if not addressed by the grantee.	Medium	3		
iii. No valid complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	0		
Subtotal for Satisfaction Assessment (Max. 5 Pts.)	**SUBTOTAL:**			

FACTOR 5 - SERVICES

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

Rating Consideration: The Evaluator should consider the planned program support provided by the grantee and whether it is appropriately being carried out to address the intended range of economic development or housing needs and related supportive services issues, including any specialized efforts for sub-populations (e.g., persons with HIV/AIDS, disadvantaged youth). Consider also any difficulty in serving the proposed number of program participants and for homeless programs, any difficulty in moving homeless clients to permanent housing. The evaluation for this factor is derived from information that could be obtained from, but not limited to: applicable NOFA, approved and amended grant agreements, annual performance plans, correspondence, release of funds requests, local, HQ or grantee generated automated reports or spreadsheets.

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

FACTOR 5 – SERVICES	**Risk Category**	**Risk Score**	**Evaluator's Score**	**Evaluator's Comments**
A. Meeting Program Objectives				
i. If evaluating a CoC grantee – Proposed activities to be carried out by the grantee	High	10		

or sponsors have not been on schedule during the most recently completed program year **OR** the grantee has not submitted a revised timetable to carry out activities **OR** activities that are being carried out do not address the intended beneficiaries, sub-populations or needs of this homeless program. **If evaluating a Round II EZ –** Based on the information in the PERMS system, the designee is not accomplishing its planned objectives with regard to the strategic vision for change, community-based partnerships, economic opportunity, and sustainable community development **OR** the designee has compliance issues or findings, documented in PERMS and GMP that result from onsite monitoring or annual report reviews of governance, developable sites or anti-pirating **OR** the designee has HUD-funded IPs that evidence through PERMS, LOCCS, and/or onsite monitoring that the designee has not shown IP progress, appears to be assisting persons other than the intended beneficiaries (resident benefit), is engaged in job or business pirating (anti-pirating) and/or lacks physical records and reports to substantiate resident or activity eligibility. **For all other competitive grantees -** Proposed activities to be carried out by grantee or subrecipients have not been on schedule during the most recently completed program year; **OR** activities that are being carried out do not address the intended beneficiaries, sub-populations or needs of this competitive program.				
ii. **If evaluating a CoC grantee –** Proposed activities to be carried out by the grantee or sponsors are on schedule for the most recently completed program year, however in the three most recently completed program years, the grantee has not been on schedule at least once **AND** the grantee has submitted a revised timetable to bring its project or grant into HUD program compliance. **For all other competitive grantees -** Proposed activities to be carried out by grantee or subrecipients are on schedule for the most recently competed program year, however, in the three most recent program years, the grantee has not been on schedule at least once **AND** the grantee has submitted a revised timetable to come into compliance.	Medium	5		

iii. If evaluating a CoC grantee – Proposed activities to be carried out by grantee or sponsors have been carried out with no known problems, and address the beneficiaries, sub-populations or needs of this homeless program for the three most recent program years or since grant execution, if less than three program years. **If evaluating a Round II EZ –** Based on the information in the PERMS system, the designee is accomplishing its planned objectives with regard to the strategic vision for change, community-based partnerships, economic opportunity, and sustainable community development **AND** the designee has no compliance issues or findings, documented in PERMS and GMP that result from onsite monitoring or annual report reviews of governance, developable sites or anti-pirating **AND** the designee has no HUD funded IPs that evidence through PERMS, LOCCS, and/or onsite monitoring that the designee has IP progress issues, appears to be assisting persons other than the intended beneficiaries (resident benefit), is engaged in job or business pirating (anti-pirating) and/or lacks physical records and reports to substantiate resident or activity eligibility. **For all other competitive grantees -** Proposed activities to be carried out by grantee or subrecipients have been carried out with no known problems, have been on schedule and address the beneficiaries, sub-populations or needs of this competitive program for the three most recent program years or since grant execution if less than three program years.	Low	1		

B. Multiple HUD Programs and multiple grants under one HUD program.				
i. The grantee carries out multiple HUD programs using multiple sponsors or partners, which involve more than one funding source from HUD.	High	5		
ii. The grantee carries out only one HUD program but has multiple grants, which involves one or more sponsors or partners from HUD and other governmental agencies	Medium	3		
iii.. The grantee carries out only one HUD program with one grant, which involves no sponsors and one HUD funding source.	Low	1		
C. Program Progress Based on Progress Reports				
i. Grantee is operating not nearly at full capacity, and not meeting HUD program goals or performance indicators or the grantee's own project goals	High	5		
ii Grantee is near capacity, meeting some but not all of HUD's goals **OR** grantee has not operated its grants long enough to submit a required progress report	Medium	3		
iii. Grantee is operating at full capacity, meeting HUD program goals and its own project goals.	Low	0		
Subtotal for Satisfaction Assessment (Max. 20 pts.) **SUBTOTAL:**				

Overall Risk Assessment – Total Score

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	20	
2. Physical	12	
3. Management	43	
4. Satisfaction	5	
5. Services	20	
Total	**100**	

Part II To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type: A, B, C, X)	

Exceptions:

A. The Office of Inspector General is currently conducting an audit of the high-risk grantee or high-risk program(s).
B. High-risk grantee or high-risk program(s) were monitored within the last two years.
C. Grantee will be provided technical assistance or training in current Fiscal Year.
X. Other (explain)

CPD Management Representative(s) _____ Date: _____

Attachment B-1

CDBG Risk Analysis Worksheet

Grantee: _____ **Fiscal Year Review:** _____

Name of Evaluator: _____ **Date:** _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Financial		
A. Timeliness	(5/3/0)	
B. Program Income	(5/3/1/0)	
C. Grantee Submissions/Audits	(6/0)	
D. Float Loans	(2/0)	
E. Revolving Loan	(2/0)	
Subtotal for Financial	**(Max. 20 pts.)**	
Factor 2 - Management		
A. Grant Amount/Monitoring/Sanctions	(40/20/10/0)	
B. Organizational Capacity	(4/2/1/0)	
C. Performance	(4/2/1/0)	
D. Program Administration CAP	(5/0)	
E. Subrecipients	(2/0)	
Subtotal for Management	**(Max. 55 pts.)**	
Factor 3 – Satisfaction		
A. Citizen Complaints	(1/0)	
B. Responsiveness	(1/0)	
Subtotal for Satisfaction	**(Max. 2 pts.)**	
Factor 4 - Services		
A. Beneficiaries	(3/2/0)	
B. Slum/Blight	(1/0)	
C. Urgent Need	(1/0)	
D. Public Service Caps	(5/3/0)	
E. Administered Activities	(8/0)	
F. NRSA/CSRA	(2/0)	
G. Relocation	(1/0)	
H. Environmental	(1/0)	
I. Flood Insurance Protection	(1/0)	
Subtotal for Services	**(Max. 23 pts.)**	
Total Overall CDBG Risk Score	**(Max. 100 pts.)**	

Attachment B-2

HOME Risk Analysis Worksheet

Grantee: _____ **Fiscal Year Review: _____**
Name of Evaluator: _____ **Date: _____**

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Financial		
A. Grant Amount	(4/2/1)	
B. Commitments and Expenditures	(5/3/0)	
C. Program Income	(2/0)	
D. Audits	(4/1)	
E. Financial Compliance	(5/3/0)	
Subtotal for Financial	**(Max. 20 pts.)**	
Factor 2 – Physical		
A. Physical Condition of Projects	(12/6/1)	
Subtotal for Physical	**(Max. 12 pts.)**	
Factor 3 - Management		
A. Staff Capacity	(10/5/1)	
B. Program Design	(2/0)	
C. Program Administration	(2/0)	
D. Multiple Funding Sources	(2/0)	
E. CHDO Activities	(3/0)	
F. Affordability Requirements	(3/0)	
G. On-site Monitoring	(12/8/0)	
H. On Going Project Monitoring by PJ	(5/0)	
I. Sub-recipient/Consortia Members/State Recipient Capacity & Oversight	(5/3/0)	
J. CHDO Oversight	(6/0)	
K. OIG Audit	(3/0)	
L. Environmental/Relocation/Flood Insurance Protection	(2/0)	
Subtotal for Management	**(Max. 55 pts.)**	
Factor 4 – Satisfaction		
A. Citizen Complaints	(2/1/0)	
B. Responsiveness	(2/0)	
Subtotal for Satisfaction	**(Max. 4 pts.)**	
Factor 5 - Services		
A. Income Targeting	(4/2/0)	
B. Open Activities	(5/3/0)	
Subtotal for Services	**(Max. 9 pts.)**	
Total Overall HOME Risk Score	**(Max. 100 pts.)**	

Attachment B-3

ESG Risk Analysis Worksheet

Grantee: _____ **Fiscal Year Review:** _____

Name of Evaluator: _____ **Date:** _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Financial		
A. Grant Amount	(3/2/1)	
B. Audits	(2/1)	
C. 24 Month Expenditure Provisions	(10/5/0)	
D. Financial Compliance	(10/5/0)	
Subtotal for Financial	**(Max. 25 pts.)**	
Factor 2 – Physical		
A. Rehabilitation	(13/7/0)	
Subtotal for Physical	**(Max. 13 pts.)**	
Factor 3 – Management		
A. Program Complexity	(5/3/0)	
B. Timely and Accurate Submissions	(5/3/0)	
C. Program Administration CAP	(5/3/0)	
D. Staff Capacity	(10/5/1)	
E. OIG Audit	(2/0)	
F. On-Site Monitoring	(15/8/1)	
G. Environmental/Relocation/Flood Insurance Protection	(2/0)	
Subtotal for Management	**(Max. 44 pts.)**	
Factor 4- Satisfaction		
A. Citizen Complaints	(2/1/0)	
B. Responsiveness	(2/0)	
Subtotal for Satisfaction	**(Max. 4 pts.)**	
Factor 5 - Services		
A. Meeting Program Objectives	(8/4/1)	
B. Homeless Prevention	(3/2/0)	
C. Essential Services	(3/2/0)	
Subtotal for Services	**(Max. 14 pts.)**	
Total Overall ESG Risk Score	**(Max. 100 pts.)**	

Attachment B-4

HOPWA Risk Analysis Worksheet

Grantee: _____ Fiscal Year Review: _____

Name of Evaluator: _____ Date: _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Financial		
A. Grant Amount	(5/3/1)	
B. Timely Expenditures	(10/5/1)	
C. Audits	(5/1)	
D. Financial Compliance	(5/3/1)	
Subtotal for Financial	**(Max. 25 pts.)**	
Factor 2 – Physical		
A. Existing or Previous Physical Asset Problems	(5/3/1)	
B. Acquisition, Construction and Rehabilitation of Physical Assets	(5/3/1)	
C. Multiple Sites for Physical Assets	(5/3/1)	
Subtotal for Physical	**(Max. 15 pts.)**	
Factor 3 - Management		
A. OIG Audit	(3/0)	
B. Staff Capacity	(10/5/1)	
C. On-Site Monitoring	(15/8/1)	
D. Timely and Accurate Submissions	(5/3/1)	
E. Program Administration CAP	(5/3/1)	
F. Environmental/Relocation/Flood Insurance Protection	(2/0)	
Subtotal for Management	**(Max. 40 pts.)**	
Factor 4 – Satisfaction		
A. Citizen Complaints	(5/3/0)	
B. Responsiveness	(5/0)	
Subtotal for Satisfaction	**(Max. 10 pts.)**	
Factor 5 - Services		
A. Meeting Program Objectives	(5/3/1)	
B. Multiple Sponsors	(5/1)	
Subtotal for Services	**(Max. 10 pts.)**	
Total Overall HOPWA Risk Score	**(Max. 100 pts.)**	

Attachment B-5

Competitive Grants Programs Risk Analysis Worksheet
Including Homeless Programs

Grantee: _____ **Fiscal Year Review:** _____

Name of Program: _____

Name of Evaluator: _____ **Date:** _____

Total Dollar Value of Grant(s): _____ **Number of Grants:** _____

Description: To Be Completed By Evaluator		**Evaluator's Rating**
Factor 1 – Financial		
A. Total Grant Award/s/ Amount	(5/3/1)	
B. Timely Expenditures	(5/3/0)	
C. Audits	(5/1)	
D. Financial Compliance	(5/3/0)	
Subtotal for Financial	**(Max. 20 pts.)**	
Factor 2 - Physical		
A. Existing or Previous Physical Assets	(4/3/1/0)	
B. Acquisition, Construction & Rehabilitation of Physical Assets	(4/3/2/0)	
C. Multiple Sites for Physical Assets	(4/2/0)	
Subtotal for Physical	**(Max. 12 pts.)**	
Factor 3 - Management		
A. Staff Capacity	(20/10/1)	
B. OIG Audit	(3/0)	
C. On-Site Monitoring	(15/8/1)	
D. Timely and Accurate Submissions	(3/2/0)	
E. Environmental/Relocation/Flood Insurance Protection	(2/0)	
Subtotal for Management	**(Max. 43 pts.)**	
Factor 4 - Satisfaction		
A. Citizen Complaints	(5/3/0)	
Subtotal for Satisfaction	**(Max. 5 pts.)**	
Factor 5 - Services		
A. Meeting Program Objectives	(10/5/1)	
B. Multiple Programs	(5/3/1)	
C. Program Progress	(5/3/0)	
Subtotal for Services	**(Max. 20 pts.)**	
Total Overall Competitive Risk Score	**(Max. 100 pts.)**	

Attachment C-1

Competitive Composite Summary Worksheet

Grantee	BEDI	EDI	HBCU	HOPWA comp.	RHED	Round II EZs	Sec. 8 SRO Mod. Rehab.	S+ C	SHP	Small Cities Comp.	Youthbuild	Total	Average Score	Rank	Exception Code	Exception Comments	Management Representative Initials

High Risk = any grantee whose program score is 51 or more.

KEY to Competitive Programs

Acronyms	Program
BEDI	Brownfields Economic Development Initiative
EDI	Economic Development Initiative
HBCU	Historic Black Colleges and Universities
HOPWA competitive	Housing Opportunities for Persons With AIDS
RHED	Rural Housing and Economic Development
Round II EZs	Round II Empowerment Zones
Sec. 8 SRO Mod. Rehab.	Section 8 Single Room Occupancy Moderate Rehabilitation
S + C	Shelter Plus Care
SHP	Supportive Housing Program
Small Cities Comp.	Small Cities Competitive
Youthbuild	Youthbuild

Attachment C-2

Formula Composite Summary Worksheet

Grantee	CDBG	HOME	ESG	HOPWA	Total Score	Average Score	Rank	Exception Code	Exception Comments	Management Representative Initials

High Risk = any grantee whose program score is 51 or more.

Key to Formula Programs

Acronym	Program
CDBG	Community Development Block Grant Program
HOME	Home Investment Partnerships Program
ESG	Emergency Shelter Grants Program
HOPWA	Housing Opportunities for Persons With AIDS

Attachment D-1

Competitive Exception Report
(Use codes A, B, C or X as appropriate, justification for code X must be provided.)

Grantee Name	Risk Ranking	Exception Code	Reason for Exception
Grantee X	**2**	**A**	
Grantee Y	**6**	**X**	**Grantee was monitored in 2005 and field office will continue to work with them to clear open findings.**
Grantee C	**4**	**B**	

Attachment D-2

Formula Exception Report
(Use codes A, B, C, or X as appropriate, justification for code X must be provided.)

Grantee Name	Risk Ranking	Exception Code	Reason for Exception
Grantee T	**2**	**A**	
Grantee U	**6**	**X**	**Grantee was monitored in 2005 and field office will continue to work with them to clear open findings.**
Grantee C	**4**	**B**	

Attachment E-1 Cross Reference of CPD Monitoring Handbook Exhibits by Risk Factors

Program /Specialty Area	Financial	Physical	Management	Satisfaction	Services
CDBG	Exhibit 3-14	Exhibit	Exhibit 3-10	Exhibit 3-19	Exhibit 3-1
	3-18		3-16	3-20	3-2
	3-19		3-17	22-1	3-3
	3-20		3-18	22-6	3-4
	3-21		3-19	22-7	3-5
			3-20		3-6
			3-22		3-7
			22-1		3-8
			22-6		3-9
			22-7		3-11
					3-12
					3-13
					3-15
					5-1
					23-1
					24-1
					24-2
					24-3
State CDBG	4-4		4-1	22-6	4-1
	4-5		4-2		4-2
	4-7		4-6		4-3
	4-8		4-7		4-4
			22-6		
Section 108/EDI/BEDI					5-1
Disaster					6-1
HOME	7-13	7-3	7-1		7-11
	7-20	7-5	7-2		
	7-21	7-7	7-4		
	7-22		7-6		
	7-23		7-8		
			7-9		
			7-10		
			7-12		
			7-14		
			7-15		
			7-16		
			7-17		
			7-18		
			7-19		
ESG	9-5	9-2	9-6		9-1
	9-8		9-7		9-3
	9-9		9-12		9-4
	9-10				
	9-11				
Shelter Plus Care	12-4	12-2	12-5		12-1

	12-7		12-6		12-3
Supportive Housing Program	13-5	13-3	13-6		13-1
	13-8		13-7		13-2
	13-9		13-12		13-4
	13-10				
	13-11				
Section 8 SRO			11-3		11-1
					11-2
HOPWA	10-3	10-2	10-1		
	10-5		10-4		
	10-6				
	10-7				
Program /Specialty Area	**Financial**	**Physical**	**Management**	**Satisfaction**	**Services**
EZs	14-5		14-3		14-1
	14-6		14-4		14-2
	14-7		14-9		
	14-8				
HBCUs	15-4		15-1		15-2
	15-5		15-3		
	15-6				
	15-7				
RHED	16-3				16-1
	16-4				16-2
	16-5				
	16-6				
	16-7				
Youthbuild	18-4	18-3			18-1
	18-5				18-2
	18-6				
Citizen Participation			19-3	19-1	
			19-4	19-2	
Lead Hazards		24-1			
		24-2			
		24-3			
		24-4			
Relocation		25-7	25-1		25-2
			25-8		25-3
					25-4
					25-5
					25-6

Program /Specialty Area	Financial	Physical	Management	Satisfaction	Services
ConPlan			20-1		
FHEO			22-1		22-6
			22-2		22-7
			22-3		
			22-4		
			22-5		
Environmental			21-1		21-3
			21-2		21-4
			21-13		21-5
					21-6
					21-7
					21-8
					21-9
					21-10
					21-11
					21-12
Labor			23-1		
CD-TA					17-1
Alternative Monitoring		26-1			
Flood Insurance Protection			27-1		27-1