Community Development Block Grant
Toolkit on Crosscutting Issues

Module 1: Financial Management and Procurement

Module 1 of the CDBG Toolkit contains Office of Management and Budget (OMB) Circulars that guide financial management and cost principles across all Federal agencies (including HUD), as well as state, local and Indian tribal governments, educational institutions, hospitals and other nonprofit organizations. The Circulars are supplemented by HUD regulations, notices and handbooks. Most of the HUD regulations apply to all HUD programs; others are specific to the CDBG program. Module 1 also contains several practical HUD-generated documents on managing grants, keeping funds moving and improving timely performance, as well as a set of training materials on the Financial Management and Procurement issues.

The resources contained in this module are current as of August 2009. To ensure that you are using the most updated information, please visit the OMB website: http://www.whitehouse.gov/omb/ or the HUDCLIPS website: http://www.hud.gov/offices/adm/hudclips/.

Please click on the title to access the resources listed below in electronic format.

Contents:

- **Applicable OMB Circulars**
  - OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments
  - OMB Circular A-133: Audits of State, Local Governments and Nonprofit Organizations
  - OMB Circular A-21: Cost Principles for Educational Institutions
  - OMB Circular A-122: Cost Principles for Non-Profit Organizations
- **Applicable Regulations**
  - 2 CFR Part 225: Cost Principles For State, Local, and Indian Tribal Governments (OMB Circular A–87)
  - 2 CFR Part 230: Cost Principles for Non-Profit Organizations (OMB Circular A–122)
  - 24 CFR Part 84: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
  - 24 CFR Part 85: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments

- 24 CFR 570.489: Program Administrative Requirements *(CDBG State program)*
- 24 CFR 570.490: Recordkeeping requirements *(CDBG State program)*
- 24 CFR 570.502: Applicability of Uniform Administrative Requirements *(CDBG Entitlement program)*
- 24 CFR 570.506: Records to be maintained *(CDBG Entitlement program)*
- 24 CFR 570.508: Access to records *(CDBG Entitlement program)*
- 24 CFR 570.509: Grant closeout procedures *(CDBG Entitlement program)*

- **HUD Handbooks and Notices**
  - Handbook 6509.2, REV-6, CHP-2 (CPD Monitoring Handbook)
  - Notice CPD-04-11 (Program Income Requirements in the State CDBG Program)
  - Notice CPD-96-05 (Procurement of Consulting Services by CDBG Recipients, Participating Jurisdictions and Subrecipients)

- **Other HUD Documents**
  - Ensuring CDBG Sub recipient Timeliness, May 2003
  - Managing CDBG: A Guidebook for Grantees on Sub recipient Oversight, March 2005
  - Keeping Your CDBG Funds Moving, May 2002
  - Methods for Improving Timely Performance (State CDBG program), January 2004
  - CDBG Video Training Module: Admin Planning and Financial Management, February 2008
  - Basically CDBG Training Manual, November 2007: Chapter 11 (Financial Management) and Chapter 14 (Procurement)

- **Forms**
  - SF 272/272a (Federal Cash Transactions Report)
  - SF 269/269A (Financial Status Report) (*optional)*

- **Training Materials**
  - Training Curriculum
  - Trainer Guide
  - PowerPoint Presentation
  - “Top Seven Facts About OMB Circular A-87”
  - “Top Nine Financial Management Rules to Apply”

- “Top Five Methods to Document Procurements”
- Case Study #1 – “Sub grantees: Which Rules are Followed?”
- Case Study #2 – “Managing the Procurement Process”
- Discussion Questions

Related Resource:

On-line Debarment List
http://epls.gov/

Whom to Contact:

Local HUD Field Office
http://www.hud.gov/offices/cpd/about/staff/fodirectors/index.cfm