

Procurement Guidelines and Construction Disbursement Procedures And Financial Management Standards

Procurement Guidelines

HOME grantees will be required to follow *VHCB's Procurement Guidelines and Construction Disbursement Procedures*, or an approved alternative plan, and maintain records of procurement transactions. Any alternative plans should be reviewed and approved by VHCB staff prior to undertaking them. A copy of the guideline is included in this section of the Handbook.

Prior to the first construction disbursement, grantees must forward to VHCB the following:

- ⇒ The HOME Program *Bid Selection and Contract Award* form. The information provided on this form allows us to complete our annual HOME Program report to HUD. A copy of the *Bid Selection and Contract Award* form is included in this section of the Handbook.
- ⇒ An executed construction contract.
- ⇒ An executed *Attachment to Contract*. A copy is included in this section of the Handbook.
- ⇒ An executed *Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion*. A copy is included in this section of the Handbook. In addition to having contractors sign this certification, prior to awarding any contracts, grantees are required to check the VT Secretary of State's website <http://www.sec.state.vt.us/seek/corpbrow.htm> and the federal Excluded Parties List System <https://www.epls.gov/> to verify the contractor is eligible to receive federal funds and do business in the State of Vermont.
- ⇒ An executed *Disclosure of Lobbying Activities*. A copy is included in this section of the Handbook.
- ⇒ An executed *Certification for Contracts, Grants, Loans and Cooperative Agreements*. A copy is included in this section of the Handbook.
- ⇒ A copy of performance and payment bond or letter of credit.
- ⇒ Lien waivers will need to be submitted with subsequent construction disbursements.
- ⇒ In addition, the HUD-4010 form *Federal Labor Standards Provisions* included in this chapter must be attached to all construction contracts.

OMB Circular A-122, Cost Principals for Nonprofit Organizations

This circular establishes allowable costs related to federal programs and includes cost principles for determining costs.

A copy of OMB Circular A-122, *Cost Principles for Nonprofit Organizations* is included in this section of the Handbook.

Standards for Financial Management Systems

Standards for financial management systems require that an organization establish effective controls and accountability over funds received and expended and have written procedures that define allowable costs and certain cash management functions.

Financial management systems should include the following:

- ⇒ Records that identify each source and use of federal funds.
- ⇒ Effective controls over and accountability for all funds and assets.
- ⇒ Funds should be utilized so as to minimize the time period that elapses between transferring funds from the U.S. Treasury and the disbursement by the grantee. HOME funds are required to be expended within 15 days of the transfer from the U.S. Treasury account.
- ⇒ Procedures for determining reasonableness of costs.
- ⇒ Records that are supported by source documentation.

Conflict of Interest

HOME Program grantees are required to adopt conflict of interest policies. Policies should cover employees, agents, consultants, or officers of the owner, developer or sponsor of a HOME-assisted activity. These persons may not obtain a financial benefit or interest from any HOME activity for themselves or those with whom they have family or business ties during their tenure and for one year thereafter. The HOME regulations further state that these persons may not occupy a HOME-assisted affordable housing unit in a project. However, under some circumstances, an exception may be requested in writing if the person's occupancy will serve to further the purposes of the HOME program. Grantees should read the Conflict of Interest section of the HOME regulations, §92.356 for more information.

Minority outreach

A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms,

management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.