CDBG GRANT ADMINISTRATION HANDBOOK

Updated May 2026

Chapter 7 – Reporting and Recordkeeping

South Dakota Community Development Block Grant Program

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

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GRANTEE REPORTING

INTRODUCTION

It is important that the grantee fully documents compliance with all applicable regulations. This is accomplished through maintaining comprehensive records and submitting all necessary reports.

The filing system should be easy to use and provide a historic account of activities for examination and review by the State, auditors and local staff. All records must be available to the following entities upon request:

- U.S. Department of Housing and Urban Development,
- The U.S. Inspector General,
- The U.S. General Accounting Office,
- The Governor's Office of Economic Development, and
- The South Dakota State Auditor.

These entities must have access to any pertinent books, records, accounts, documents, papers, and other property that is relevant to the grant. Certain records must be available to the public as well. However, Grantees must keep files that contain sensitive and personally identifiable information, such as social security numbers, in a secure place. South Dakota statutes regarding public records and requests can be found on the South Dakota Legislative Research Council webpage, SDCL ch. 1-27.

SEMI-ANNUAL REPORTING

Form 7-1: Semi-Annual Report will be used to assess program progress, timeliness and compliance with federal regulations. These reports are vital because they provide the Governor's Office of Economic Development (GOED) with information that is required to be provided to the U.S. Department of Housing and Urban Development (HUD). Therefore, all reports must be submitted on time and accurately.

Reporting Period	Due Date
Jan 1 – June 30	July 15
July 1 – December 31	January 15

The twice-yearly reporting requirement begins with the first report deadline after the Grantee submits their first draw request and continues until the Grantee has submitted a Form 7-1: Semi-Annual Report marked "FINAL" along with closeout documents. GOED has provided a sample completed form as Form 7-1a: Semi-Annual Report Form (Sample) on the website.

Payment Requests will not be processed, and no additional funds will be awarded if Semi-Annual Reports are delinquent. Per the Technical Assistance and Program Administration Contract Planning Districts may be subject to financial penalties for failure to meet the submission deadline.

LABOR STANDARDS REPORTING

The Grantee is responsible for submitting all required Labor Standards reports as described in Chapter 5: Labor Standards of this manual and listed below:

- Form 5-9: Section 5.7 Enforcement Reports, if applicable
- Form 5-10: Semi-Annual Labor Standards Enforcement Report

Per the Technical Assistance and Program Administration Contract Planning Districts may be subject to financial penalties for failure to meet the submission deadline as described in Chapter 5.

FINANCIAL REPORTING

The Grantee is required to submit Form 4-3: Interim Financial Statements throughout the project and Form 4-4: Final Financial Statement at project completion.

Form 4-3: Interim Financial Statements are due for every calendar year in which project expenditures were incurred. This includes both CDBG as well as all local expenditures. The interim statements are required to be sent to the Governor's Office of Economic Development (GOED) no later than January 31 of each year.

Form 4-4: Final Financial Statement should be submitted to GOED within 30 days of the Grantee receiving the Monitoring Summary Letter.

Per the Technical Assistance and Program Administration Contract Planning Districts may be subject to financial penalties for failure to submit Interim Financial reports by January 31st.

GRANTEE RECORDKEEPING

MAINTAINING RECORDS

Grantees must establish a system for record keeping that assists GOED with the review of files for compliance. In other words, records should be kept in a manner that clearly tells the whole story of a Community Development Block Grant (CDBG) project from beginning to end. **The Grantee is responsible for maintaining all records pertinent to a grant, including supporting documentation, for three years from the date the State closes the program year from which the grant funds were awarded with HUD.**

Because this required record retention period could exceed ten years, GOED will notify Grantees when a program year has been closed with HUD and include the end date of the record retention period.

GOED suggests that the following procedural guidelines be considered when designing your filing system:

- Separate files should be maintained for each CDBG grant award.
- Files should be coded for each area of compliance to allow for easier access.
- Responsibility for file-keeping should be delegated to a specific individual to provide consistency.
- Files should be secured at all times.

Files should be maintained for each compliance area listed in bold font below. All applicable documentation should be located within that file.

This list is not all-inclusive; therefore, Grantees should refer to applicable laws and regulations as well as the other chapters of this manual for more information.

Application File

- Copy of application to GOED
- Copy of executed Grant Agreement
- Authorized Signature for Request for Payment form
- Approved Financial Plan and Budget (and revisions)

National Objectives

Grantees must maintain records that funded activities meet one of the national objectives. Depending on the objective, the files must contain the specific documentation below. This documentation can also be used in reporting performance measures information.

- Low/Mod Area Benefit
    - Boundaries of service area
    - Census data including total persons and percentage low/mod
    - Evidence area is primarily residential
    - Survey documentation, if applicable (see Conducting LMI Area Income Surveys V2)

- Low/Mod Limited Clientele
    - Applications/In-take documents for ALL applicants for benefits (including any rejections)
    - Income self-certification for all beneficiaries, if applicable
    - Documentation that the activity is restricted to one or more presumed group, if applicable
    - Documentation that the beneficiaries are at least 51% low- to moderate-income persons

- Low/Mod Housing
    - Owner Occupied Rehab
        - Income verification of households (using the Section 8 definition) including source documentation
        - Documentation that 100% of all households are low- to moderate-income (single family)
        - Work write-ups with Cost Estimates
        - Documentation of Contractors/Subcontractors bids/proposals
        - Contractor Contracts with Homeowners
        - Contractor Insurance documentation
        - SHPO letters per house (see Environmental Review Record file below)

        - Inspection Report per house
        - Hazardous Materials Inspections (radon, mold, asbestos, etc.)
        - Documentation of Lead Based Paint requirements (determination, testing, contracts, certifications, notices, etc.)
    - Single Family Rental Rehab
        - All documentation required above
        - Contracts with landlords defining affordable rent period, affordable rents
    - Multi-Family Rehab
        - Income verification of households (using the Section 8 definition) including source documentation
        - Documentation on Procurement (see Procurement file below)
        - Documentation that at least 51% of all households are low- to moderate-income (multi-family)

- Low/Mod Job Creation and Retention
    - Number of jobs prior to CDBG assistance (payroll documentation)
    - Total number of jobs created or retained (by job classification or title)
    - Self-certification of income for all persons benefiting from the jobs created or retained
    - Documentation that at least 51% of all persons benefitting from jobs created or retained are low- to moderate-income
- Slum and Blight
    - Area designation (e.g., boundaries, evidence area meets State slum/blight requirements)
    - Documentation and description of blighted conditions (e.g., photographs, structural surveys, or development plans)
    - Documentation of official municipal designation of blighted area or property
    - If applicable, evidence that the property meets spot designation requirements (e.g., inspections)
- Urgent Need
    - Documented evidence of a threat to health and safety of the public
    - Documentation of recent origin (within previous 18 months)
    - Certification that other financing resources were unavailable and CDBG had to be used (including ability to borrow, etc.)

Citizen Participation File

- Affidavit of the Notices of Public Hearings
- Minutes from the public hearings
- Citizen outreach techniques, including evidence of marketing effort for direct benefit activities such as housing rehabilitation
- Citizen complaints and relevant correspondence, if applicable

Environmental Review Record (ERR)

- For all projects:
  - Scope of Work for Project/Activity
  - Copy of any environmental studies (e. g. archaeological surveys, etc.)
  - Copy of all maps and drawings
  - Photographs of the project site
  - HUD Worksheets for Compliance with 58.5 and 58.6, as applicable (see Form 2-3)
  - Form 2-12: Re-evaluation of Environmental Review, if applicable
- Exempt and CENST Activity Project Classification
  - HUD Worksheets for Compliance with 58.5 and 58.6, as applicable (see Form 2-3)
  - Form 2-2: Environmental Review For Activities that are Exempt or Categorically Excluded, Not Subject to 58.5
- Categorically Excluded Projects Subject To
  - HUD Worksheets for Compliance with 58.5 and 58.6, as applicable (see Form 2-3)
  - Photos of the project site
  - Form 2-4: Environmental Review for Activity/Project that is Categorically Excluded, Subject to 58.5
  - Copy of all Consultation letters and responses
  - Copy of the Notice of Intent to Request Release of Funds (NOI/RROF) advertisement (see Form 2-5)
  - Copy of Publishers Affidavit for NOI/RRO
  - Copies of any letters received in response to the NOI/RROF
  - Copy of Floodplain Process documentation (if applicable)
    - Form 2-9: Floodplains and Wetlands Early Public Notice
    - Form 2-10: Floodplains and Wetlands Notice of Explanation
    - Publishers Affidavit for Flood Notices
  - Form 2-6: Request for Release of Funds and Certification
  - Authority to Use Grant Funds from GOED (Form 2-14)

- Environmental Assessment
    - HUD Worksheets for Compliance with 58.5 and 58.6, as applicable (see Form 2-3)
    - Photographs of the project site
    - Form 2-7: Part 58 Environmental Assessment Form
    - Copy of all Agency/Interested Parties Consultation letters
    - Written determinations from relevant agencies (SHPO, DEP, Wetlands, etc.)
    - Copy of Floodplain Process documentation (if applicable)
        - Form 2-9: Floodplains and Wetlands Early Public Notice
        - Form 2-10: Floodplains and Wetlands Notice of Explanation
        - Publishers Affidavit for Flood Notices
    - Form 2-8: Combined Notice of Finding of No Significant Impact and Notice of Intent to Request Funds
    - Copy of Publishers Affidavit for Combined Notice of FONSI and NOI/RROF
    - Form 2-6: Request for Release of Funds and Certification
    - Authority to Use Grant Funds from GOED (Form 2-14)

Civil Rights

- Documentation of completion of the required Fair Housing Action Steps
- Demographic statistics on all beneficiaries and denied applicants of site-specific activities (i.e., housing rehab)
- Documentation that contractors complied with the Civil Rights requirements as explained at the pre-construction conference
- Documentation of all other efforts to affirmatively further fair housing (refer to Form 1-8)
- Documentation of compliance with the requirements under Section 504 of the Rehabilitation Act of 1973, as amended

Financial

- Copies of all Vendor Invoices
- Copies of all Requests for Payment (Form 4-1)
- Copies of all Requests for Amendment, if applicable (Form 4-2)

- Copies of all Interim Financial Reports (Form 4-3)
- Copy of Final Financial Report (Form 4-4)
- General Ledger
- Bank Statements
- Personal Property Inventory Ledger, if applicable (Form 8-4)
- Real Property Inventory Ledger, if applicable (Form 8-5)

Procurement

- All Procurements utilizing CDBG funds:
    - Independent Cost Estimates for all procurements (refer to Form 3-10)
    - Micro/Small Purchase
    - Copy of Request for Quotation (RFQ) (email, telephone notes, etc.)
    - Documentation of all quotes received
    - Justification of selection
- RFP/RFQ
    - Copy of the Request for Proposal (RFP) or Request for Qualifications (RFQ)
    - Publishers Affidavit for the RFP/RFQ newspaper advertisement
    - List of companies who submitted Statements of Qualifications or Proposals
    - All RFP/RFQ evaluation and scoring documents
    - List of short-listed firms and documentation of interview process, if applicable
    - Short-listed firms evaluation and scoring documents, if applicable
- **Sealed Bid**
    - Copy of Invitation for Bid (IFB)
    - Publishers Affidavit for IFB newspaper advertisement
    - Documentation of good faith effort to utilize MBE/WBE firms
    - Minutes from the public bid opening

- Copy of the bid tabulation sheet, certified by the project architect/engineer
- Contractors/Subcontractor Section 3 Workforce Reports (Form 3-8)
- Section 3 Final Labor Hours Compliance Report (Form 3-9)
- BABA Certification forms from all contractors/subcontractors (Form 3-4)
- BABA Materials Certification Form (Form 3-5)
- Certification Regarding Debarment (Form 3-1)

Contract Development

- **Professional Services**
  - Copy of executed Contract(s) with the required federal contract provisions (Form 3-3)
- **Construction – Related Services**
  - Copy of Contract with the required federal contract provisions (Form 3-3)
  - Copy of the Bid Guarantee
  - Copy of the Performance Bond
  - Copy of the Payment Bond
  - Copy of contractor(s) insurance policy
  - Proof of the established Retainage Account (if applicable)
  - Documentation on all Change Orders

Audit File

- Copy of Audit Reports for all years CDBG funds were expended
- Responses to Audit Findings (if applicable)

Acquisition and Relocation Files

- **Acquisition -** A separate file must be maintained for each property acquired and must include:
  - Property owner name and address
  - Address of property to be acquired
  - Documentation of Title Seach

- Copy of market estimate on property valued under $15,000.00
- Preliminary Acquisition Notice to Owner Invitation to the owner to accompany appraiser Appraisal Reports
- Copy of Appraisal, when applicable
- Copy of Appraiser's identification Card (when applicable)
- Copy of Review Appraisal, when applicable
- Copy of written purchase offer
- Executed Purchase agreement
- Copy of donation/waiver forms (if applicable)
- Copy of filed deed

- **Relocation -** A separate file must be maintained for each household relocated and must include:
  - A household survey, which should include the names, ages and demographic information of the household to be relocated
  - A description of the nature of the advisory services offered, including the dates they were offered and any brochures or pamphlets explaining their rights
  - Evidence of correspondence concerning the rights and payments available to displaced persons
  - 90day advance Relocation Notice (and evidence of delivery)
  - 30day Displacement Notice (and evidence of delivery)
  - Evidence of at least three referrals to comparable units
  - Inspection report on referral units
  - Documentation on the type of payment made
  - Evidence that payment was made (canceled check or the like)

Labor Standards

- Copy of Appropriate Wage Determination
- Copy of Invitation for Bid
- Copy of Publishers Affidavit for IFB Advertisement
- Copy of construction plans and specifications with appropriate labor standards documentation attached

- Copy of Pre-Bid Conference Sign-in sheet (if applicable)
- Copy of the Notice of Contract Award
- Copy of the construction-related contract(s) with the HUD 4010 form and Federal Construction Contract Provisions referenced or attached (Form 3-3) (contracts may be filed with Contract as seen above)
- Copies of Form 5-4: Request for Additional Classifications, if applicable
- Copy of the Preconstruction Conference Checklist (Form 5-8)
- Copy of contractor(s) fringe benefit programs
- Copy of any apprenticeship certification programs, if applicable
- Copy of Contractor(s) Certification form
- Copy of Subcontractor(s) Certification forms, if applicable
- Copy of all weekly certified payroll reports for contractor(s)/subcontractor(s)
- Copy of all employee interviews (Form 5-6 and/or Form 5-7)
- Documentation of any wage deficiencies and copies of restitution payments (if applicable)
- Copy of the Final Inspection/Project Completion report

Reporting File

- Copies of all Semi-Annual Labor Reports (Form 5-10)
- Copy of Enforcement Reports, if applicable (Form 5-9)

Monitoring/Closeout File

- Form 8-2: Project Monitoring/Administrative Closeout
- GOED monitoring letters (Form 8-3)
- Evidence of corrective actions in relation to GOED findings (if applicable)
- Acceptance of Work, for construction Projects (Form 8-6)

REVISION HISTORY

Revision	Date	Description of changes	Approved By
1.0	8/21/24	• Initial Release	S Deyo
1.1	7/28/25	• Hyperlinks and Formatting Only	S Deyo
2.0	5/22/26	• Updated links throughout document	S Deyo