

Questions and Answers on FY 2015 ICDBG NOFA

Q.1. The summary of changes in the FY 2015 ICDBG NOFA, in the 11th bullet on page 3 says that “...entities preparing a financial analysis for economic development projects must be independent from the applicant and must have experience in analyzing the type of project proposed.”

Yet in Section III.C.4. on page 12, the NOFA says merely that for economic development projects “the applicant must provide a financial analysis prepared by a qualified party” Which is it?

A.1. Applicants proposing to undertake economic development projects with ICDBGs must provide a financial analysis prepared by a person qualified to prepare such analysis. The application must include a statement of the qualifications of the individual not just the firm that prepares the analysis.

Q.2. The NOFA in four places looks at audit submissions and findings; first in the capacity section for all applicants and then in past performance for current applicants.

Q2a. Managerial, Technical and Administrative Capability (Rating Factor 1, Subfactor 1)

(1) In Subfactor 1.c. (Financial Management) the NOFA says: “The applicant or designated organization will also be rated on the seriousness/significance of the findings related to the applicant’s financial management system identified in its current audit. If the applicant or designated organization is required to have an audit but does not have a current audit, it must submit a letter from its Independent Public Accountant (IPA) that is dated within the past 12 months stating that its financial management system complies with all applicable regulatory requirements. If the applicant or designated organization is not required to have an audit in accordance with 2 CFR 200 it will automatically receive maximum points for this portion of the subfactor if it states this fact and provide the other information required by this subfactor. For purposes of this subfactor, a current audit is one which was due to be submitted to the Federal Audit Clearinghouse (FAC) within the 12-month period prior to the application deadline date. To be considered, the audit must be submitted to the FAC prior to the ICDBG application deadline date.”

(2) In Subfactor 1.d. (Procurement and Contract Management) the NOFA says: “The application will also be rated on the seriousness of the findings related to

procurement and contract management identified in the applicant's or the designated organization's current financial audit. If the applicant or designated organization is required to have an audit but do not have a current audit, it must submit a letter from its IPA stating that its procurement and contract management system complies with all applicable regulatory requirements. If the applicant or designated organization is not required to have an audit in accordance with 2 CFR 200, it will automatically receive maximum points for this portion of the subfactor if it states this fact and provide the other information required by this subfactor. For purposes of this subfactor, a current audit is one which was due to be submitted to the FAC within the 12-month period prior to the application deadline date. To be considered, the audit must be submitted to the FAC prior to the ICDBG application deadline date."

A2a. The FAC is offline until it can resolve a data breach and is not accepting audit submissions at this time. Audits that were due to the FAC from 7/22/15 through 9/30/15 have been given an extension to 10/31/15.

To treat all applicants similarly, HUD will not look at audits at all for any year in this subfactor. Applicants should, however address other aspects of financial management and procurement and contract management practices in their applications.

Q2b. Past Performance (subfactor 2)

(3) In Subfactor 2.d. (Audits) the NOFA says: "The applicant has submitted annual audits for the last two audit periods in accordance with 2 CFR 200, and within the required timeframe (within 30 days after completion of the audit or 9 months after the fiscal year, whichever is earlier), or if the applicant received an extension of the audit submission date, its audit was submitted by the extended date.

(4) In Rating Factor 1, subfactor 2.e. (Findings) the NOFA says: " The applicant has resolved ICDBG monitoring findings and controlled audit findings by the established target date, or there are no findings in current reports."

A2b. To treat all applicants similarly, HUD will only look at 2013 year audits for these two subfactors, not those for 2014.

Because applications submitted pursuant to the FY 2015 ICDBG NOFA (FR-5900-N-23) are due on 10/22/15, HUD will only consider the timeliness of and findings contained in audits for FY 2013 for all of these subfactors.

Applicants should, however address other aspects of financial management and procurement and contract management practices in their applications.

Q.3. The NOFA in Rating Factor 3, Subfactor 1 (Description of and Rationale for Proposed Project) says: “To receive the full 12 points in this subfactor, the applicant must demonstrate that it will train and employ Section 3 residents and contract with Section 3 business concerns unless doing so would be inconsistent with the preference for Indians under section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450(c(b)).” What is HUD looking for in this section?

A.3. *Applicants should state how they will comply with Section 3, depending on the types of activities that they intend to carry out with ICDBG funds. Section 3 requirements may not apply where the planned ICDBG activities do not require Section 3 compliance, or if complying with Section 3 is inconsistent with Indian preference requirements. A statement that Section 3 does not apply for these reasons will receive full points in the rating factor (as long as the other components of the highest possible score in the subfactor are met). For more information on Section 3 see http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_eq/al_opp/section3/section3*

Q.4. The NOFA in section II.A.2 says that the application ceilings for applications in the Northern Plains and Southwest ONAP regions are based on the population that resides on the reservation or Rancheria. What data will be used to determine the population?

A.4. *HUD will use the population data that is most beneficial to the applicant in making this determination in accordance with the data from the U.S. Census which is posted at <http://huduser.org/portal/icdbg/home.html>*