

EXHIBIT 1-A

PROJECT MANAGEMENT PLAN GUIDELINES

Preparation of the project management plan does not have to be a difficult task. As part of its CDBG application, each applicant prepared a preliminary management plan (usually using a version of *Appendix M* of the *CDBG Application Guidelines*, available on-line at the CDBG website) which described how the applicant intended to manage its project.

Preparation of the final project management plan (see the examples/samples in *Exhibit 1-B* and *Exhibit 1-C* and also the additional examples provided in the *CDBG Application Guidelines*) is a matter of reviewing the preliminary plan and then more precisely defining how and by whom the project will be administered. The management plan should cover the following four basic areas:

1. Overall Administrative Structure
2. Project Management
3. Financial Management
4. Project Implementation Schedule (= Attachment A of the CDBG contract)

It is not necessary that the plan be divided into these sections, as long as the basic issues are addressed. In addition, the Project Implementation Schedule (Attachment A of the approved/executed CDBG contract) should be included with the Management Plan to demonstrate how the tasks described in the plan will be dealt with chronologically.

1. **Overall Administrative Structure**

This element will describe how your local government will integrate project management with its existing organizational structure. The most common alternatives for management (as discussed in the text of Chapter 1) are either administration by local staff or through a contract with a private consultant. This portion of the plan should include a description of:

- the role of the mayor and council (or county commission) in supervising project administration and the expenditure of project funds and how this will be coordinated with the project manager and the grant recipient's financial officer;
- the role, if any, of the local government's attorney in preparing and reviewing any proposed contracts required for the CDBG project;
- the key persons who will be involved in project administration including the chief elected official, the local government's financial officer, any officials who will be authorized to sign requests for CDBG funds, the project manager, the recipient's attorney, and any other officials or staff who will have a direct role in administering the grant. The list should include names, titles, telephone numbers, and a brief description of their role in the project's administration.

2. Project Management

This element should describe the procedures that will be followed and the persons who will be responsible for overall project management, including assuring documentation of the recipient's compliance with all applicable CDBG Program and contract requirements (other than those pertaining to financial management) such as the environmental review process, civil rights, preparation of regular project progress/update reports and project closeout reports, etc.

For example:

- for a housing rehabilitation project, a Project Management description should address items such as: the role and composition of any advisory board; the procedures for deciding about how grants and/or loan awards will be made to individual households; how housing rehabilitation applications will be accepted from local households and how they will be reviewed; the procedures for soliciting and processing contractor bids for housing rehabilitation work for individuals households; and how contracts for such housing rehabilitation work will be awarded and monitored to assure satisfactory work is accomplished.
-
- for a public facilities project, a Project Management description should address items such as: the role and responsibilities of the project engineer (or project architect) and local staff (or contracted management consultant) for compliance with general CDBG requirements; preparation of construction bid specifications to assure they meet CDBG requirements outlined in Chapter 9 of this Manual: supervising of bidding procedures; conducting pre-construction conferences; determining who will be responsible for weekly review of wages against the applicable federal Davis-Bacon wage rates and for regularly conducting on-site employee interviews with construction personnel to assure Davis-Bacon labor standards compliance (as outlined in Chapter 6 of the Manual); and project inspections.

If the CDBG grant recipient intends to contract with a consultant for project management services, a copy of the draft contract should be referenced in the management plan. All contracts need to be reviewed and approved by CDBG.

3. Financial Management

This portion of the project management plan should describe the procedures that will be used and the officials or staff that will be responsible for assuring proper expenditure of and internal control over the use of CDBG funds (as explained in detail in Chapter 4 of this Manual). The description should:

- address the procedures to be followed for reviewing and approving expenditures, preparing and submitting drawdown requests to MDOC/CDBG, processing payments, etc.;
- identify the persons who will be responsible for maintenance of the required financial records or processing CDBG funds;

- explain any arrangements with financial institutions or contractors which involve management of CDBG funds;
- describe the accounting and management system to be used, such as the Budgetary, Accounting and Reporting System (BARS) or the Town Accounting System (TAS); and
- include the role of the governing body in approving expenditures for the CDBG project.

If the project will include the "targeting" of CDBG assistance for a public facilities project to individual LMI (low or moderate income) households -- for example, by paying their assessment fees or hook-up fees -- the project management plan should a) thoroughly describe the procedures it intends to follow to screen and qualify eligible LMI households who will be recipients of such funds and b) assure that all such targeted CDBG funds will benefit low and moderate income persons/households. If the project intends to use methods such as payment of assessments for a special improvement district or payment of charges for water or sewer hookups, the plan should clearly describe how CDBG funds will be accounted for in local financial records.

If the project will include loans to individuals/households and thus also involve some loan repayments to the local government from those individuals/households and thus result in generating "Program Income" as a result of CDBG project activities, the Management Plan must describe the procedures and policies that will govern the use of those funds during the project and following grant closeout. Communities planning to retain such CDBG Program Income must be prepared to maintain the following records:

- sources of program income including interest earned,
- dates and amounts of program income deposits and disbursements, and
- a description of the activities funded with program income.