Submitted to the U.S. Department of Housing and Urban Development (HUD) in fulfillment of requirements for the Community Development Block Grant- Disaster Recovery (CDBG-DR) program for recovery from Hurricane Irma.
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Background
The Florida Department of Economic Opportunity (DEO) was created in 2011 to make Florida the nation’s top performing economy, as well as “the world’s best place to live, learn, play, work, and do business”. The Department will serve as the administrator and fiscal agent for the Community Development Block Grant-Disaster Recovery (CDBG-DR) grant.¹

The Mission of the Florida DEO is:

“In collaboration with our partners, DEO assists the Governor in advancing Florida’s economy by championing the state’s economic development vision and by administering state and federal programs and initiatives to help visitors, citizens, businesses, and communities.”

The Department manages an annual budget of more than $1.1 billion and has prior experience in managing United States Department of Housing and Urban Development (HUD) funds through the state (non-entitlement) Community Development Block Grant (CDBG) allocation. The Small Cities Community Development Block Grant Program has been awarded approximately $24 million dollars annually from HUD and administers the program through awarding subgrants to eligible units of local government. The Department also administers a previous CDBG-DR allocation of approximately $118 million to recover from the 2016 Hurricanes Hermine and Matthew.

Through this experience with the annual CDBG program, the Department has existing systems and procedures, as well as monitoring strategies that encompass cross-cutting regulatory requirements including HUD program rules and regulation, civil rights, environmental, labor standards, fair housing, citizen participation and recordkeeping. The Department will utilize these existing resources and adapt them to the requirements of Public Law 115-56 and related guidance.

The State of Florida will manage approximately $773 million in Community Development Block Grant-Disaster Recovery (CDBG-DR) grant funds responsibly, efficiently and transparently. The State has the financial management systems, policies, procedures and practices necessary to uphold fiscal responsibility as detailed in this Implementation Plan.

Section I: Public Law 115-56 and Financial Management and Grant Compliance Certification

Part A. Scope of Review
The State will be the Grantee receiving the CDBG-DR Funds.

Part B. Financial Controls
DEO's Bureau of Financial Management is committed to ensuring the effective financial management of CDBG and CDBG-DR programs. The Department certifies proficiency in financial management through the use of established financial systems and internal controls.

Office of Management and Budget (OMB) Audit and Financial Statement
The State of Florida DEO is in compliance with Single Audit requirements. The State’s annual expenditures are reviewed every year by an independent Certified Public Accountant (CPA) to evaluate whether the State’s major federal programs are in compliance with laws, regulations, contracts and grant rules as applicable to each program. The latest Single Audit report for the fiscal year ended June 30, 2017 (Florida Auditor General Report No. 2018-189) is attached to this plan. DEO had six findings related to its Agency, but no findings were related to HUD federal awards.

While these findings are not related to the CDBG program, they have been resolved or are in the process of being resolved as indicated below:

DEO Program: Unemployment Insurance (UI) – Current Year Findings
- Finding 2017-006: Not Corrected
  - Brief Description: Significant deficiencies were disclosed for select information technology controls applicable to CONNECT as follows:
    - System edits need improvement to ensure the validity of data.
    - Issues related to access control procedures and access privileges were noted.
    - Issues related to user authentication, access controls, and logging and monitoring were noted.
  - Current Status: The Department has addressed the concerns by implementing a programmatic change in July 2016, and applying an internal process improvement plan with Central Intake staff. The Department has improved all known message issues, as well as addressed language translations on forms and documents. The Department has resolved some issues related to user authentication, access controls, and logging and monitoring. Also, the Department is currently implementing a Microsoft Identify Manager project to address concerns related to access control procedures and access privileges.

- Finding 2017-007: Fully Corrected
  - Brief Description: Internal controls for the Electronic Payment Card (EPC) Processing and Settlement System need improvement. Specifically, the service organization, that was hired by DEO to enable UI claimants to receive UI benefits through a debit card, had a qualified opinion related to internal controls on its independent service auditor’s report.
  - Current Status: The service organization providing electronic access card (debit card) services for DEO corrected all control exceptions noted in the service organization’s
independent auditor’s report during the period July 19-21, 2017. The corrections were also reported in the service organization’s System and Organization Control (SOC 1) Report on the Suitability of the Design and Operating Effectiveness of Controls.

- Finding 2017-008: Fully Corrected
  - Brief Description: DEO expenditures related to the UI program were not always incurred within the authorized period of performance. Out of the five expenditures selected for testing, three expenditures, totaling $200,087, were not incurred within the authorized period of performance.

  - Current Status: During the process of closing out the grant UI-26528-15-55-A-12 2015, DEO staff recorded transactions to ensure the grant bore its full share of allowable costs. Inadvertently, expenditures that were not within the period of performance were selected and recorded against the grant. This error was noted during the course of the audit and the expenditures in question were moved to the appropriate grant and expenditures from the appropriate period of performance were applied to the grant. DEO procedures have been updated and staff have been trained to ensure the correct recording of expenditures.

- Finding 2017-009 (prior year findings 2016-11 and 2015-007): Partially Corrected
  - Brief Description: CONNECT, an online re-employment assistance benefits portal used to process and maintain UI program data, did not provide accurate, complete, or adequately supported UI data that was reported on the quarterly Federal reports.

  - Current Status: The Department will take appropriate steps to ensure data reported on quarterly Federal Financial Reports (FFRs) is accurate, complete, and adequately supported. These steps will include:
    - Corrections to how the systems timely and accurately identifies benefit overpayments (see finding 2017-010). Several enhancements have been identified to address this concern and are currently being prioritized for work.
    - Corrections to include the Employer’s name and address listed on predetermination letters and Appeal documents will be addressed in order to enable the interstate wage process to be fully functional.
    - Implementing an enhancement to identify non-claimant overpayments within CONNECT would assist the Department with accurately identifying convictions. This process is currently done manually by creating a comment in the appropriate section of the ETA 227.

- Finding 2017-010 (prior year findings 2016-12 and 2015-008): Partially Corrected
  - Brief Description: DEO did not always timely or accurately identify overpayments. Seven of 60 overpayments tested were delayed from 191 to 410 days.
• **Current Status**: The Department will make appropriate modifications to CONNECT to ensure that benefit overpayments are properly and timely identified:

  o Several fixes were identified and range in implementation date from July 2017 through February 2018 to address 10 to 15 cases referenced in the finding.
  o Furthermore, the system enhancements below have been identified to address additional overpayment concerns:
    ▪ An enhancement was deployed to production on February 28, 2018 that will assist with properly establishing an overpayment in relation to waiting weeks being paid in error.
    ▪ Additional enhancements are being developed to address overpayments not properly identified.
  o In regard to certain timely identifications of overpayments, the Department will work on establishing a process improvement plan with Adjudication management on the timely handing of “Java Decision” issues.

  o Finding 2017-011 (prior year findings 2016-13 and 2015-008): **Partially Corrected**
    • **Brief Description**: DEO did not follow the established benefit accuracy measurement (BAM) case investigation procedures and methodology necessary to meet Federal BAM program testing requirements. Forty case investigation files were reviewed and disclosed that DEO did not always maintain required documentation, such as NDNH crossmatch, investigation activity log, or the labor market information from the Florida Research Economic Database.

    • **Current Status**: The Department will put additional safeguards in place by developing procedures for supervisory reviews of Benefit Accuracy Measurement (BAM) case investigations to ensure required case file documentation is maintained.

**DEO Program: Unemployment Insurance (UI) – Prior Year Findings**

  o Finding 2016-10 (prior year finding 2015-006): **Not Corrected**
    • **Brief Description**: DEO did not always ensure that UI benefit payments were made only to eligible claimants.

    • **Current Status**: Changes to the system that will alter monetary overpayment workflows are currently in progress; however, a target date for completion has not yet been established due to competing priorities. Currently, there are changes in process to advise claimants of job contact requirements and Workforce Center contacts. DEO has also made enhancements that will show all the information that is submitted by the claimant regarding job contacts on the PDF form instead of only storing the information in the database.

Under the existing structure for annual CDBG, Florida monitors its subrecipients for compliance with financial administration requirements in accordance with Single Audit requirements previously
stipulated in OMB Circular A-133, now codified in 2 CFR 200, Subpart F. The Department requires all program subrecipients who expend more than $750,000 in federal funds during the fiscal year to submit their Single Audit review through the State’s Federal Audit Clearinghouse or directly to the State for review for material weaknesses and findings or concerns.

Additionally, DEO has an Office of Inspector General (OIG) within its agency. The Inspector General reports directly to the Chief Inspector General in the Office of the Governor, but is under the general supervision of the Executive Director. The Office of Inspector General Charter, dated June 27, 2016, outlines the OIG’s role in supporting the Department in the accomplishment of its mission while maintaining the prevention of fraud, waste and abuse.


Financial management and control of the grant is the responsibility of DEO. This section describes the financial management procedures that must be followed to comply with state and federal requirements for financial management. DEO has a financial management system that addresses:

- Internal Controls
- Bonds
- Payment and Financial Reporting
- Cost Sharing or Matching
- Program Income
- Revision of Budget and Program Plans
- Allowable Expenses Pre/Post Award (Period of Performance)
- Record Retention and Access


**Part C. Procurement Processes**

**Procurement Standards**

Procurements for CDBG Disaster programs are governed by those specific procurement requirements set forth under 24 CFR Part 570, Part 85, 2 CFR 200.317-200.326 and all applicable state laws and regulations. Aligned with the requirements of these federal regulations, when procuring property or services to be paid for in whole or in part with CDBG-DR funds, Florida will follow its own procurement laws, regulations, policies and procedures for its non-federal funds. Should the State’s CDBG-DR Program involve other non-Federal entities at any time, including subrecipients of Florida, these non-federal entities will be required to follow 2 CFR 200.318-200.326.

All procurement activities in Florida are governed by a written code of standards of conduct governing the performance of their employees engaged in the awarding and administration of contracts. Ethics and Standards of Conduct in procurement activities are detailed within the Department’s Code of Ethics, Policy Number 1.05, and Chapter 112 of the Florida Statutes.
Generally, the governing statutes and regulations can be found at Section 255.0525, Florida Statutes (advertising for competitive bids or proposals), Section 287.055, Florida Statutes (Consultants Competitive Negotiations Act), Section 287.133, Florida Statutes (public entity crimes), and Rule 73C-23.0051(3), Florida Administrative Code (procurement). DEO’s Division of Finance and Administration, Bureau of General Services, is responsible for the timely, responsive and efficient procurement of goods and services for state government. In accordance with Florida’s law and other regulatory requirements, DEO’s Purchasing and Contracting Guidelines are specific policies and procedures that are in compliance with 2 CFR 200.318-200.326 to provide a fair, equitable process to procure commodities and services.

Florida will ensure that all purchase orders and contracts include any clauses required by federal statutes, executive orders and implementation regulations.

The following table provides a cross-walk between the federal regulatory requirement and its counterpart under Florida’s procurement law:
<table>
<thead>
<tr>
<th>Federal Citation</th>
<th>Short Title</th>
<th>Florida Statutes and Florida Administrative Code (Chapter 60A-1)</th>
<th>Policies/Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 CFR 200.318</td>
<td>General Procurement Standards</td>
<td>Rule 60A-1, General Regulations</td>
<td>Purchasing and Contracting Guidelines</td>
</tr>
<tr>
<td>2 CFR 200.319</td>
<td>Competition</td>
<td>Chapter 287.01</td>
<td>Purchasing and Contracting Guidelines</td>
</tr>
<tr>
<td>2 CFR 200.320</td>
<td>Methods of Procurement to be followed</td>
<td>Chapter 287.057 (See also: Chapter 112, Chapter 119, Chapter 120, Chapter 215, Chapter 255) <strong>60A-1.002; 60A-1.045</strong>&lt;br&gt;-Small Purchases&lt;br&gt;-Non-Competitive (Single Source, Emergency Procurements, State Term Contracts, Request for Quotes, Alternate Contract Sources, General Services Administration Schedules, State Purchasing Agreements, PRIDE, and RESPECT of Florida)&lt;br&gt;-Request for Information&lt;br&gt;Competitive Solicitations (Invitation to Bid, Request for Proposal, and Invitation to Negotiate) (See Purchasing and Contracting Guidelines)</td>
<td>Purchasing and Contracting Guidelines</td>
</tr>
<tr>
<td>2 CFR 200.321</td>
<td>Contracting with Small Minority, Women Owned Businesses</td>
<td>Chapter 287.093</td>
<td>Purchasing and Contracting Guidelines</td>
</tr>
<tr>
<td>2 CFR 200.322</td>
<td>Procurement of Recovered Material</td>
<td>Chapter 403.7046</td>
<td></td>
</tr>
<tr>
<td>2 CFR 200.323</td>
<td>Contract Cost and Price</td>
<td></td>
<td>Purchasing and Contracting Guidelines</td>
</tr>
<tr>
<td>2 CFR 200.324</td>
<td>Federal Awarding or Pass-through Entity Review</td>
<td>Chapter 287.057 and 255.0525</td>
<td>Grantee contract terms and conditions</td>
</tr>
<tr>
<td>2 CFR 200.325</td>
<td>Bonding Requirements</td>
<td>Chapter 255.05 and 153.79</td>
<td>Grantee contract terms and conditions</td>
</tr>
<tr>
<td>2 CFR 200.326 &amp; Appendix II</td>
<td>Contract Provision</td>
<td>Chapter 215.971</td>
<td>Grantee contract terms and conditions</td>
</tr>
</tbody>
</table>
Part D. Procedures for Prevention of Duplication of Benefits

Duplication of Benefits Procedures

In accordance with the Robert T. Stafford Act, as amended, DEO will take actions necessary to conduct comprehensive analyses of assistance provided to disaster recovery subrecipients recovering from the 2017 Hurricane Irma in order to prevent Duplication of Benefits (DOB) from occurring.

Federal law prohibits any person, business concern or other entity from receiving federal financial assistance for any part of a loss as to which he or she has already received financial assistance through any other program, insurance or funding source. DEO has policies and procedures in place to confirm that recipients of funds under its CDBG-DR award do not receive a duplicative benefit.

DEO’s Office of Disaster Recovery will perform a DOB analysis for each applicant to consider other disaster recovery funding sources when processing applications for assistance. Common disaster assistance sources include but are not limited to:

• Federal Emergency Management Agency (FEMA)
• Small Business Administration (SBA)
• National Flood Insurance Program (NFIP)
• Increased Cost of Compliance (ICC)
• Private Insurance
• Private and nonprofit disaster assistance

Benefits will be calculated by determining each applicant’s remaining recovery need and then reducing that remaining recovery need by previously received funding for housing recovery, if any (less amounts expended on Allowable Activities). This activity will be monitored for accuracy and completeness by the Office of Disaster Recovery.

The state will consider assistance amounts received/approved from alternate sources such as FEMA, insurance coverage, SBA and/or philanthropic organizations used to make repairs due to the declared disaster damage. Duplication of benefits for housing assistance will only consider other sources of funding pertaining to structural damage caused by the hurricanes (assistance for contents and personal items will not be considered duplication). The state currently has secured data sharing agreements with FEMA and SBA to ensure the most recent assistance data is used in confirming other federal assistance. In addition, DEO has secured data from the National Flood Insurance Program (NFIP). This will be used

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Note to reviewer: Detailed information for responsible parties for all key functions are outlined in a single Responsibility Matrix on page 18 of this plan.
to determine if applicants, especially housing rehabilitation applicants, seeking disaster recovery funding assistance have received other federal funding for the same purpose.

Subgrantees (as applicable) will be responsible for obtaining documentation from applicants to determine if they received insurance benefits, or other resources, and how those funds were used in order to ensure there is no duplication of benefit. The State will closely monitor any subgrantee, vendor, or subrecipient DOB verification processes.

DEO’s Office of Disaster Recovery duplication of benefits review process currently includes forms to assist subgrantees and program staff in determining the amount of any duplicative assistance. Applicants requesting CDBG funds for disaster recovery assistance may be required to submit the following forms for all proposed activities prior to approval:

1. FEMA Declaration and Release Authorization Form
2. Florida Eligibility Release Form
3. Florida Duplication of Benefits Calculation Form
4. Duplication of Benefits Exception Acknowledgement Form (if applicable)
5. Florida Insurance Affidavit
6. Florida Subrogation and Assignment Agreement

Each applicant will be required to sign a subrogation agreement at the time of application. If a duplicative benefit is received after the disaster recovery award is provided, the applicant must subrogate any additional funds received for the same purpose as the award to the state. DEO and/or the subgrantee will be required to attempt to recapture any amount of duplicative benefits provided. DEO may withhold payment on any project, or outright suspend activities, if a duplication of benefits issue is not resolved in a timely manner. Further, DEO will not complete contract close-out processing until identified duplication of benefits issues are resolved.

**Responsible Party(ies):** Office of Disaster Recovery

**Procedures(s):**

- As outlined in the Duplication of Benefits Procedures section above

**Part E. Procedure to Determine Timely Expenditures**

**Procedures to Determine Timely Expenditures**

Timeliness of expenditure for the grant fund is defined as six years from the time of HUD’s execution of the grant agreement. DEO will comply with this timeline by implementing effective budgeting and

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3 Note: This is the DOB validation process currently in place for the open CDBG-DR grant, which is geared towards subgrantee implementation. This process may be updated to reflect any changes in the state’s method of distribution, which is yet to be finalized at the time of this plan submittal.
maintenance of expenditure projections. Within the six-year grant timeline, there are also requirements for prompt payment as part of the general financial management process. The Bureau of Financial Management has adopted the state’s prompt payment law at Chapter 215.422 of Florida Statutes which requires disbursement of funds within three days of receipt.

**Responsible Party(ies):** Division of Finance and Administration, Office of Disaster Recovery

**Procedure(s):**

- Attachment Y: DEO Bureau of Financial Management Grant Management Procedure
- As outlined in the Procedures to Determine Timely Expenditures section above

**Procedures to Track Expenditures Each Month**

In combination with the Disaster Recovery Grant Reporting (DRGR) system, DEO will utilize internal procedures to track expenditure projections over the life of the award. DEO will utilize its existing Subrecipient Management Enterprise Reporting System (SERA) and the HUD-provided Projection of Expenditures and Outcome Template to evaluate progress and ensure accomplishments are achieved in a timely manner. Additionally, DEO will work with a vendor to develop a system to track invoices and expenditures from the State Housing Program that will be compatible with E-Grants and DRGR. DEO will submit their projections within 120 days after the initial Action Plan has been submitted via the DRGR system.

**Responsible Party(ies):** Division of Finance and Administration, Office of Disaster Recovery

**Procedure(s):**

- Attachment Y: DEO Bureau of Financial Management Grant Management Procedure
- As outlined in the Procedures to Track Expenditures Each Month section above

**Procedures to Monitor Expenditures of Its Recipients**

DEO will require payment of funds within 72 hours, or three days, of receipt of funds. DEO has adequate databases and procedures in place to track timeliness of expenditures, monitor program expenditures, evaluate program performance, and monitor overall financial and programmatic compliance status. CDBG financial reporting, grants management and control will be enhanced by the use of the existing mature systems: the Florida Accounting Information Resource (FLAIR) and the SERA online system. To maintain accounting control, a detailed activity ledger must be established for each program and DEO will reconcile the programs with actual transactions as tracked in the general ledger on a regular and frequent basis.

Recovery of funds including program income, refunds, and rebates will be used before drawing down other funds. These amounts will be recorded and tracked in the FLAIR system and tracked with all program income. All financial accounts utilized for the CDBG-DR program will be federally insured accounts. Any interest earned up to $500 per year will be retained and not considered program income. These funds will be utilized for administrative costs and will not affect program income.

**Responsible Party(ies):** Office of Disaster Recovery, Division of Finance and Administration
Procedure(s):

- Attachment X: Risk Assessment
- Attachment Y: DEO Bureau of Financial Management Grant Management Procedure

As outlined in the Procedures to Monitor Expenditures of its Recipients section above

**Part F. Procedures to Maintain a Comprehensive Website**

DEO has a public website providing access to information and programs administered by the State. DEO will maintain a separate and distinct webpage on its website entitled “Office of Disaster Recovery” that includes all information on disaster recovery activities assisted with CDBG-DR funds due to 2017 Hurricane Irma. The continued maintenance of this public website is one component of HUD’s certification that DEO has proficient financial controls and procurement processes as provided for in the Register.

The Office of Disaster Recovery webpage will include links to all action plans, action plan amendments, citizen participation requirements and activity/program information for activities described in the action plan, including details of all contracts and ongoing procurement policies. It will also store every HUD Quarterly Performance Report (QPR), with information accounting for how funds are being used and managed.

Content will be reviewed by the communication unit, and policy unit when needed. Next, program staff will send content to the DEO webmaster for a second review and, if ready, the webmaster will upload the content to the website. If updates to content are needed, the DEO webmaster will forward the content to the communications unit for content review. Once Communications unit reviews and approves the content, the DEO webmaster will post to the Department’s website. The DEO webmaster will then update the webpage within 48 hours upon receipt of the content. The Disaster Recovery Management Analyst will perform monthly tests of the Disaster Recovery Programs webpage to ensure all links are active and documents are current.

Information pertaining to recovery from the 2017 Hurricane Irma posted to the webpage includes, but is not limited to program design and reporting, the citizen participation plan, procurement, and eligibility and application information.

Additionally, DEO will maintain a distinct webpage at “RebuildFlorida.gov” that is geared specifically for potential applicants of DEO’s Rebuild Florida Programs. This webpage is user-friendly site that provides more in-depth information on each program listed in the Action Plan for Hurricane Irma. The webpage easily identifies who is eligible for each program, how to register or apply and how to find more information.

The content for the Rebuild Florida webpage is reviewed with the same process as the Office of Disaster Recovery webpage.
**Action Plan and Amendments**
The Action Plan for disaster recovery will be posted for no less than 30 calendar days to solicit public comment before being submitted to HUD. The final approved Action Plan will then be posted to a permanent section on the webpage designated for action plans and amendments.

All substantial Action Plan amendments will be posted for no less than 30 calendar days to solicit public comment before being submitted to HUD. Non-substantial amendments will not be posted for public comment. All final approved amendments will be posted to a permanent section on the webpage designated for action plans and amendments.

**Performance Reports**
Within three days of submission to HUD, each DRGR Quarterly Progress Report (QPR) will be posted to a permanent section on the webpage designated for reporting.

**Citizen Participation Plan**
The Citizen Participation Plan will remain on the website. Although not mandatory, DEO will hold stakeholder sessions to gather public input on the Action Plan program design. Contact information for DEO will be posted to the webpage for citizens and program participants with questions or complaints. Additionally, interested citizens may submit questions and comments to the CDBG-DR@deo.myflorida.com email address on the webpage, which is monitored by disaster recovery analysts for review and action.

**Program Activities Information**
Program announcements and details of activities will be posted to the website on an ongoing basis. Program guidebooks and manuals will be posted to the website in English and made available in other languages for limited English proficiency audiences, as applicable. Additionally, the webpage provides a contact for any citizens wishing to be added to the mailing list.

**Responsible Party(ies):** Office of Disaster Recovery

**Procedure(s):** As outlined in Procedures to Maintain a Comprehensive Website section above

**Part G. Procedures to Detect Fraud, Waste, and Abuse of Funds**
Monitoring will be conducted by DEO to ensure that program activities progress toward timely completion and to allow for the early identification of potential issues and problems so they can be prevented or corrected.

The DEO Disaster Recovery monitoring program includes desk monitoring and onsite monitoring with priority and frequency based on the results of a risk assessment. The purpose of the risk assessment is to define the scope and focus of the monitoring efforts, including establishing a framework for determining the appropriate level of monitoring consistent within available resources. In addition, the risk assessment will be required each state fiscal year to guarantee continuous review of risks. DEO monitoring is based on criteria consistent with HUD guidance in assessing program risk. The risk assessment provides the basis for developing individual monitoring strategies and documents, the
decisions and recommendations regarding where to apply staff, and travel resources for monitoring, training and/or technical assistance.

The Risk Analysis Process consists of rating and ranking each funding recipient by the following steps:

- **Rating:**
  - Evaluator assesses and records risk for each funding recipient;
  - Management reviews the assessment; and

- **Ranking:**
  - Rank funding recipient by assessed risk, from highest to lowest; and
  - Determine monitoring exceptions (if applicable); and
  - Certify results.

The Florida Auditor General and staff will act as the state’s independent auditor and conduct financial audits of the accounts and records of state agencies. Where applicable, accounting policies and procedures of DEO should mirror the requirements of the Office of Auditor General.

The State of Florida is dedicated to the prevention of fraud, waste and abuse. All suspected cases of fraud will be taken seriously and complaints will be reported to the DEO Office of the Inspector General for further investigation (1-800-347-3735, [http://www.floridaoig.com/](http://www.floridaoig.com/)).

**Responsible Party(ies):** Florida Auditor General, DEO Office of Inspector General, Division of Finance and Administration, Office of Disaster Recovery

**Procedure(s):**
- Attachment A: Contract and Grant Management User Guide
- Attachment X: Risk Assessment
- Attachment Z: Program Admin Monitoring Checklist – Form DR-02 as outlined above
- As outlined in the Procedures to Detect Fraud, Waste, and Abuse of Funds section above

**Part H. Grantee's Certification**
DEO certifies to the accuracy and validity of the certification of proficient controls, process and procedures CDBG-DR Public Law 115-56 Grants, as attested to by signing on the Checklist, submitted with this plan.
Section II: Evaluation of Risk & Management Capacity

Part 1. Application Status
Application status will be conveyed in accordance with program type. Applications from Units of General Local Government will be posted on the DEO website upon approval, and DEO will send approval letters (Notices of Funding Availability - NOFA) to the jurisdictions.

In addition, the Office of Disaster Recovery is using its System of Record to convey the status of applications for the Housing Repair and Replacement Program. An applicant can view their application status at any time with customized login information. Additionally, an applicant can contact their case manager or the Rebuild Florida call center if the applicant has questions about their application status.

DEO will notify the registrant or applicant that the registration or application has been received. This is an automatic response generated through the system of record. Letters of approval or denial will be sent to the applicant through the provided email and mailing address. DEO has established protocols for protecting personal information.

Responsible Party(ies): Office of Disaster Recovery
Procedure(s):
- Attachment D: Protocols for Protecting Personal Information (Policy 1.11)

Part 2. Capacity
DEO has conducted an assessment of its capacity to carry out recovery efforts and has developed milestones describing when and how they will address the capacity gaps identified, as outlined in the section below.

DEO hired three vendors to help improve staff efficiency in administering CDBG-DR funding. North Highlands Company employed two full-time staff members that conducted an organization study to help improve staffing efficiencies and provide recommendations on additional staffing needs. Innovative Emergency Management (IEM) has active staff members working to implement Hurricane Irma programs and activities. Additionally, through Ernst & Young, DEO has added five full-time staff members serving in a project management capacity. DEO will soon produce third-party monitoring services and additional support to meeting internal audit requirements.

DEO currently partners with Florida Housing Finance Corporation (FHFC), and utilizes this partnership to administer the Workforce Affordable Rental New Construction Program and the Land Acquisition for Affordable Workforce Housing Program.

DEO continues to hire staff to efficiently and effectively carry out recovery efforts across the state of Florida. DEO will continue to evaluate and assess staffing capacity needs to successful carry out CDBG-DR program implementation.

Responsible Party(ies): Division of Community Development- Office of Disaster Recovery
Part 3. Staffing

Administrative Structure
The Florida Department of Economic Opportunity is a 1,538-employee organization with seven major divisions, including: Workforce Services, Strategic Business Development, Community Development, Legislative and Cabinet Affairs, Communications and External Affairs, Finance and Administration, and Information Technology. The CDBG and CDBG-DR programs are operated under the oversight of the Division of Community Development. The CDBG-DR grant will be administered by the Office of Disaster Recovery.

DEO’s vendor procured through the ITN will have the capacity necessary to meet the needs of the:

- estimated 7,150 units in the Housing Repair and Replacement Program.
- estimated 1,670 units in the Workforce Affordable Rental New Construction Program: Leveraging Other Sources of Financing Program.
- estimated 160 units in the Workforce Affordable Rental New Construction Program: Small Rental Developments Program.
- estimated 300 units in the Voluntary Home Buyout Program.
- estimated 1,200 units in the Business Recovery Grant Program.

Below is the Department of Economic Opportunity’s Organizational Structure.
Office of Disaster Recovery
The Division of Community Development consists of several functional areas. These are the Office of Disaster Recovery, Bureau of Community Planning and Growth, Bureau of Economic and Self Sufficiency, and Bureau of Small Cities and Rural Communities. The CDBG-DR allocation will be run by the Office of Disaster Recovery. A more detailed outline of the Office of Disaster Recovery structure is presented in the chart on the following page:
Staff Roles

The position descriptions outlined below align with the functional areas identified in the organizational chart and may include technical titles not detailed in the organizational chart. DEO’s Office of Disaster Recovery positions are as follows:

**Director, Office of Disaster Recovery — Reginald Dixon**
This is a leadership position responsible for the overall management, operation and performance of the Office of Disaster Recovery. This position is accountable to the Executive Director of DEO and is responsible for the program performance, cost management oversight, staffing and personnel management. This position is also responsible for updating constituents and stakeholders on compliance and fiscal matters.

- **Deputy Director, Office of Disaster Recovery — Drew Winters**
  This is a leadership position, reporting directly to the Director, responsible for assisting the Director with the overall management, operation and performance of the Office of Disaster Recovery. This position is responsible for the program performance, cost management oversight, staffing and personnel management.

- **Bureau Chief, Bureau of Finance & Administration — Matilde Miller**
  This is a leadership position, reporting directly to the Director, responsible for administering the overall performance, staffing, and personnel of the financial management, compliance and policy units.

  - **Manager, Financial Management Unit — Hiring**
    This is a leadership position that will be responsible for providing leadership and guidance with respect to the development and management of contracts and subrecipient and grant agreements entered into by the Office of Disaster Recovery. This position will be responsible for ensuring all agreements meet the federal and state requirements as well as serve the need of the office.

  - **Manager, Compliance, QA/QC & Reporting Unit — Jamie McNease**
    This is a leadership position that will review all services provided in the Office of Disaster Recovery. The Compliance QA/QC and Reporting Manager will provide QA, compliance and third-party monitoring to help ensure accuracy of services. This position will report results of these programs to the state and federal procurement oversight organizations.

  - **Policy Director, Policy Unit — Heather Martin**
    This is a leadership position that will provide policy direction for the Office of Disaster Recovery. This position will serve as a single point of contact for HUD and is responsible for the design and completion of the federal action plan, program policy and procedures and constituent management and legislative affairs.
➢ Program and Policy Coordinator—Mikayla Catani
This position is responsible for supporting the Policy Director by serving as a direct point of contact for HUD. The position will also assist in the design and development of the federal action plan, program policies and procedures, and CDBG-DR implementation plan.

➢ Constituent Services Manager—Jamesha Cox
This position is responsible for supporting the Policy Director by acting as a single point of contact for Constituent Management services on behalf of the Office of Disaster Recovery and the Rebuild Florida programs. This position also serves as the Office’s Public Records Coordinator and provides legislative affairs support.

➢ Constituent Services Assistant—Amanda Iscrupe
This position supports the Policy Director in the efforts of the Constituent Management position in providing timely responses to all constituent matters, including inquiries and complaints.

o Administrative Assistant II – Hiring
The administrative assistant reports directly to the bureau chief and is responsible for office support and duties that include scheduling meetings, travel arrangement, travel reimbursements, photocopying, receiving and sending correspondence for units within the bureau.

• Bureau Chief, Bureau of Business Operations – Paul Waters
This is a leadership position, reporting directly to the Director, responsible for administering the overall performance, staffing, and personnel of the housing, environmental, system of record and Hermine/Matthew units.

• Manager, Housing Program Unit – DeAnna Poland-Stemock
A leadership position that directs, facilitates and supports all housing program activities. This includes the requisition and application processing online and intake center to ensure that all applicants are processed timely and approved, if eligible. The Housing Manager will also oversee vendor services, including all construction activities, and personnel assisting in these tasks.

• Housing Operations — Alec Usseglio
This position will support the Housing Program Manager with the operations and logistics of all housing programs within the action plan.

• Housing Operations — Hiring
This position is responsible for supporting the Housing Program Manager with all activities related to the housing programs within the action plan.
• **Construction Management Lead** — Inyo Cue
  This position is responsible for supporting the Housing Program Manager by selecting and awarding construction projects and the oversight of the construction process.

  ▪ **Construction Management Specialist** — Ginger Gould
    These positions will support the Construction Management Lead in all activities related to the construction process.

• **Appeals Leads** — Myakka Slater
  This position is responsible for supporting the Housing Program Manager by managing appeals, and reviewing the decision-making process for applicants in the Housing Repair and Replacement Program.

  ➢ **Appeals Hearing Officer** — Hiring (5)
    This position is responsible for supporting the Housing Program Manager by managing appeals, and reviewing the decision-making process for applicants in the Housing Repair and Replacement Program.

  o **Subrecipient and Buyout Program Manager** — Joshua Bradt
    This position manages subrecipient agreements for the Workforce Affordable Rental, Land Acquisition and Voluntary Home Buyout Program. The position manages the relationships with each subrecipient, including grant allocation, deliverable tracking project reporting.

  ➢ **Subrecipient Grant Manager** — Hiring
    This position supports subrecipient agreements for the Workforce Affordable Rental, Land Acquisition and Voluntary Home Buyout Program. This includes grant allocation, deliverable tracking, project reporting, etc.

  o **Manager, Environmental Review Unit** — Tony Murray
    This is a supervisory role that oversees all environmental reviews for the Housing Programs in the Office of Disaster Recovery. This includes monitoring the Tier I reviews conducted by DEO staff and Tier II reviews conducted by vendors for accuracy and completeness.

• **Environmental Review Specialists** — Kevin Ogden
  This position supports the Environmental Review Manager in the oversight and ownership of all environmental reviews for the housing programs.

• **Environmental Review Specialists** — Hiring
  This position supports the Environmental Review Manager in the oversight and ownership of all environmental reviews for the housing programs.

  o **Manager, System of Record Unit** — Jeffrey Johnson
This position will oversee the design and implementation of the System of Record and then manage the effective use of the system through the life of the project. This includes both the financial management and case management components.

➢ **Data, IT Analyst—Hiring (2)**  
This position supports the System of Record Manager in the design and implementation of the System of Record. This will include the effective use of the system.

○ **Manager, Hermine/Matthew Unit – Ryan Butler**  
This is a leadership position that is responsible for the overall management, operations and performance of the Office of Disaster Recovery’s Hermine and Matthew Programs. This position is accountable for the cost management oversight, staffing and personnel management, and providing updates to constituents and stakeholders of the Hermine and Matthew Programs.

➢ **Project Management Support—Jacob Durrance**  
This position supports the Hermine and Matthew Program through deliverable tracking, project status reporting and risk management within the program.

➢ **Subrecipient Grant Manager—Henry Muñoz**  
This position supports the Hermine and Matthew Program through managing the relationships with subrecipients in the program. This includes grant allocation, deliverable tracking, project reporting, etc.

➢ **Subrecipient Grant Manager—Hiring**  
This position supports the Hermine and Matthew Program through managing the relationships with subrecipients in the program. This includes grant allocation, deliverable tracking, project reporting, etc.

➢ **Special Projects Coordinator—Robin Grantham**  
This position supports the Hermine and Matthew Program Manager through the management of special projects as assigned. This position serves primarily as a subject matter resource to advise and manage projects.

○ **Administrative Assistant II – Hiring**  
The administrative assistant reports directly to the Bureau Chief and is responsible for office support and duties that include scheduling meetings, travel arrangement, travel reimbursements, photocopying, receiving and sending correspondence for units within the bureau.

• **Bureau Chief, Bureau of Economic Recovery – Joseph Oglesby**  
This is a leadership position, reporting directly to the Director, responsible for administering the overall performance, staffing, and personnel of the economic development and business recovery, infrastructure and mitigations units.
Manager, Economic Development & Business Recovery Unit – Elisa Weber
This is a leadership position, reporting directly to the Bureau Chief, responsible for leading economic development recovery activities. This position includes overseeing all services related to the Business Recovery Program, Business Assistance to New Floridians Program and Workforce Recovery Program.

➢ Economic Development Analyst—Hiring (3)
This position supports the Economic Development and Business Recovery Manager through economic development recovery activities related to the Business Recovery Program, Business Assistance to New Floridians Program and Workforce Recovery Program.

Manager, Infrastructure Unit – Gina Herron
This is a leadership position, reporting directly to the Bureau Chief, responsible for leading infrastructure disaster recovery activities.

➢ Infrastructure Analyst—Hiring (3)
This position supports the Infrastructure Manager for infrastructure disaster recovery activities.

Manager, Mitigation Unit – Alyssa Hernandez
This is a leadership position, reporting directly to the Bureau Chief, responsible for leading mitigation and resiliency disaster recovery activities.

➢ Mitigation Analyst—Hiring (3)
This position supports the Mitigation Manager for mitigation and resiliency disaster recovery activities.

Administrative Assistant II – Hiring
The administrative assistant reports directly to the Bureau Chief and is responsible for office support and duties that include scheduling meetings, travel arrangement, travel reimbursements, photocopying, receiving and sending correspondence for units within the bureau.

• Outreach / Communications Manager – Aaron Keller
This is a leadership position, reporting directly to the Director that manages all outreach efforts for applicants and coordinate all media activities related to the Office of Disaster Recovery’s programs.

➢ Communications Specialist— Andrew Wilber
This position will support the efforts of the Communications Manager in managing all outreach efforts for applicants and coordinating all media activities related to the program.
• **Administrative Assistant III – Dinah Greene**  
The administrative assistant serves as the executive assistant to the Director and is responsible for overall office support (scheduling meetings, travel arrangement, travel reimbursements, etc.) and office management (onboarding new employees, performance planning, establishing individual training plans, etc.) within the Office of Disaster Recovery.

**Responsibility Matrix**

As required by the Federal Register, the following responsible parties will oversee key processes outlining cross-cutting functions by specialists housed in the CDBG Program to provide support in Environmental Compliance, housing, infrastructure and economic development. Financial management functions will be conducted by the Division of Finance and Administration. All internal auditing and procedures to detect fraud, waste and abuse will be conducted by the Office of Inspector General. In addition, DEO plans to procure vendor services to support state capacity, to include functions such as program management, policy and procedure support, and monitoring and compliance.

**Financial Controls- William Currie, Chief of Budget Management; Caroline Womack, Chief of Financial Management**
- A leadership position in DEO’s Division of Finance and Administration that directly oversees Budget Management.
- A leadership position in DEO’s Division of Finance and Administration that directly oversees Financial Management.

**Procurement- Vince McKenzie, Office of Property and Procurement Manager**
A leadership position in DEO’s Division of Finance and Administration that directly oversees procurement.

**Timely Expenditures- William Currie, Chief of Budget Management; Caroline Womack, Chief of Financial Management**
- A leadership position in DEO’s Division of Finance and Administration that directly oversees Budget Management.
- A leadership position in DEO’s Division of Finance and Administration that directly oversees Financial Management.

**Comprehensive Disaster Recovery Webpage- Jack Gaskin, Jr, Government Analyst II**
A supporting position in DEO’s Division of Community Development as Webmaster who directly oversees DEO’s Disaster Recovery Initiative webpages.

**Rebuild Florida Webpage- Jason Eugene, Brand and Web Manager**
A supporting position in DEO’s Communication Division as Webmaster who directly oversees DEO’s Rebuild Florida webpages.

**Procedures to Detect Fraud, Waste, and Abuse- Debra Clark, Director of Auditing**
A leadership position in DEO’s Office of Inspector General that directly oversees internal auditing and related activities.

**Internal Audit- Debra Clark, Director of Auditing**
A leadership position in DEO’s Office of Inspector General that directly oversees internal auditing and related activities.

**State Program Monitoring- Janice Hutchison, CPA, Chief of Financial Monitoring and Accountability**
A leadership position in DEO’s Division of Finance and Administration that directly oversees external financial monitoring and accountability.

**Financial Management- William Currie, Chief of Budget Management; Caroline Womack, Chief of Financial Management**
A leadership position in DEO’s Division of Finance and Administration that directly oversees Budget Management.

**Experienced in Housing:**
- Mark Nixon, Government Operations Consultant II
- Shaurita Jackson, Government Operations Consultant II

**Experienced in Infrastructure:**
- Ginger Waters, Government Operations Consultant I
- Ted Court, Government Operations Consultant II
- Charles Wyatt, Government Operations Consultant II

**Experienced in Economic Revitalization:**
- Patrick Howard, Government Operations Consultant II

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**Part 4. Internal & Interagency Coordination**
The Department will address coordination in the following manner:

I. **Internal Coordination** – The Office of Disaster Recovery will ensure the internal finance and monitoring divisions are aware of program operations through transparent reporting. Program updates will be provided to the Bureau and Office Chiefs on a regular basis, in addition to the quarterly reporting available on the program website. These program updates may take place in management meetings and/or through written internal reports.

II. **Interagency & Stakeholder Coordination** – The Disaster Recovery Unit will establish a stakeholder contact list to include agency heads, non-profit and civic leaders, advocates and
interested parties. All stakeholders will have access to program information as posted on the disaster recovery webpage. In addition, the Disaster Recovery Unit will host stakeholder coordination meetings, as necessary, during which program updates will be provided. Updates may include: funds spent, beneficiaries served and program timelines. Additionally, the webpage provides a contact for any citizens wishing to be added to the CDBG-DR mailing list. Subrecipients will have an open line of communication through telephone and email with an assigned contract manager.

**Responsible Party(ies):** Division of Community Development

**Part 5. Technical Assistance**
The Department has previously provided technical assistance to cities and counties through its administration of the CDBG and CDBG-DR programs. The state has requested and participated in HUD sponsored Technical Assistance (TA) designed with the specific requirements of the Public Law 114-254 allocation. Should any technical assistance gaps be identified, DEO will seek additional TA from either HUD or through additional vendor services.

If additional vendor services are identified, vendor(s) will be procured through the state’s procurement procedures as outlined in Procurement Processes in Section I, Public Law 115-56 Financial Management Guide Certification.

**Responsible Party(ies):** Division of Community Development

**Part 6. Accountability**
DEO is the principal lead agency responsible for the implementation of the state’s CDBG-DR award and the Executive Director will report directly to Florida Governor, Ron DeSantis.

**Part 7. Grantee’s Certification**
DEO certifies to the accuracy and validity of the evaluation of risk and management capacity, as attested to by signing on the checklist, submitted with this plan.


**Part A. Financial Management - Items 1 & 2**

DEO’s Division of Finance and Administration is responsible for reviewing and approving all transactions involving grant funds before the transactions are processed. The Division of Finance and Administration’s responsibilities include:

- Approval of purchase orders and/or entering encumbrances of executed contracts to be paid with grant funds.
- Receipt and approval of invoices.
- Assurance that transactions involving grant funds are properly coded.
• Review and approval of requisitions for payments involving grant funds.

The Division of Finance and Administration is responsible for maintaining the official grant funds financial records and for posting account transactions. Official records will be maintained in an automated format. Additional responsibilities may also include:

• Control of accounting documents once approved for processing by the program department.
• Preparation of financial reports (based on accounting records).
• Preparation of requests for funds.
• Entry of transactions into the accounting system.
• Comparison of budgeted amounts to actual cash outlays.

DEO maintains accounting and grants management systems to support multiple programs across the department. In combination, these systems provide accurate, current and complete disclosure of the financial status of each CDBG supported activity, according to the terms and conditions of the Grant Award Agreement. These systems are audit-tested and confirmed to meet all federal and state requirements.

These systems include:

I. **SERA**: A web-based system that allows DEO – Small Cities Community Development Block Grant Program recipients to submit Requests for Funds and reports through SERA to DEO. Note: DEO is in the process of upgrading this system and may be transitioning to the new system during this program.

II. **FLAIR**: The Florida Accounting Information Resource (FLAIR) is a double entry, computer-based, general ledger accounting system, which is utilized to perform the State's accounting and financial management functions. The Department of Financial Services (DFS) is the functional owner of FLAIR.

III. **DRGR**: DEO submits drawdown requests to HUD through the Disaster Recovery Grant Reporting (DRGR) system for funds as requested through SERA and accounted for in FLAIR.

IV. DEO will be creating a system of records to track project applications and the status of ongoing projects for our State Housing Program.

The Department follows guidance outlined in the Department of Financial Services - Reference Guide for State Expenditures which provides state agencies with the requirements applicable to the disbursement of funds from the State Treasury. The guide states that, “the originating agencies are required to maintain the original vouchers, purchasing card transaction receipts and all supporting documentation for a minimum of five fiscal years, provided all applicable audits have been completed.”

Recipient accounting records are supported by source documentation stored in compliance with recordkeeping requirements. The department has financial record-keeping practices to retain source documentation to properly evidence the costs incurred and dates of expenditures.
Procedures established by DEO Finance and Administration verify a comparison between the budgeted grant award to the cash draw amount to ensure cash availability. This ensures that grants have sufficient funds for draw requests to be made. In addition, DEO requires an obligation to be entered into the accounting system prior to the execution of contracts and issuance of purchase orders. Once an obligation/expenditure is recorded for the grant, the Cash Management Staff is responsible for initiating a cash draw for funds via the federal payment system.

DEO requires HUD grant programs to be reported on the accrual basis. Therefore, the actual amounts expended, drawn down (revenue) and obligated during the quarter are included in the financial information reported. The drawdown and obligated amounts are automatically updated from the DRGR drawdown module each quarter. However, the amounts expended have to be manually entered into the Quarterly Progress Report (QPR). The Bureau of Financial Management is responsible for reconciling the revenue, expenses and obligations reported in the QPR to amounts recorded in FLAIR. The program managers record information for the quarterly performance measures achieved and activity progress narratives into the DRGR system. The Division of Community Development sends the updated QPR to the Bureau of Financial Management for final review before submitting the report to HUD. The program managers verify that the performance measures and narratives are correct. After the QPR has been updated, reviewed and reconciled, it is then submitted to HUD to review and approve.

See procedures below in Part A for DEO’s complete list of standards that speak to the accounting records formation on the CDBG-DR grant award, authorizations, obligations, unobligated balances, assets, liabilities, expenditures, program income (aligns with notice) and interest. In addition, the policies and procedures noted below, as well as, the sufficiency of DEO’s financial management system helps ensure DEO maintains an adequate system of internal control over all funds, property and other assets to ensure they are used solely for authorized purposes.

**Responsible Party(ies):** Division of Finance and Administration

**Procedure(s):**

- Attachment A: Contract and Grant Management User Guide
- Attachment B: Purchasing and Contracting Guidelines (June 2014)
- Attachment C: Purchasing Policy (Policy 4.02)
- Attachment D: Protocols for Protecting Personal Information (Policy 1.11)
- Attachment E: Financial Assistance Audit and Audit Resolution Responsibilities
- Attachment F: Department of Financial Services - Reference Guide for State Expenditures
- Attachment G: IDIS-DRGR Cash Drawdown Voucher – Approval and FLAIR Update Procedure – HUD-CDBG Grant Activity (Policy CM-04G)
- Attachment H: Cash Draw Process (CM-04B)
- Attachment I: FA Procedures – DIS-04B Contract Grant Disbursement Payment Process
- Attachment K: Negotiated Indirect Cost Rate Policy
- Attachment L: Office of Inspector General Charter (Policy OIG 001)
- Attachment N: Property Management Policy (Policy 4.05)
Part B. Internal Controls - Item 3
Internal controls are processes used to ensure operational effectiveness and efficiencies. Internal controls consist of the policies and procedures, job responsibilities, qualified personnel, and records management systems that are designed to safeguard assets such as cash, property, etc. DEO monitors its own operations as well as subrecipients for compliance with statutes, regulations, and the terms and conditions of the federal award and grant agreements. DEO will take swift action when instances of noncompliance are identified by monitoring activities or through audits.

HUD’s Integrity Bulletin on internal control was issued to assist entities in understanding and achieving effective internal controls, therefore, DEO’s disaster recovery unit will consult this guidance in conjunction with DEO’s internal control policies and procedures when carrying out program objectives.4

Protocols for Protecting Personal Information
Protocols for Protecting Personal Information (Policy 1.11), provide reasonable measures to safeguard protected personally identifiable information (PII). DEO ensures that information provided by stakeholders that contains confidential information is secured and protected. DEO has controls in place when data is submitted to the department to ensure information such as social security numbers, birth dates, and driver’s license numbers are protected. Information provided electronically is required to be password protected when containing sensitive information. In addition, when transmitting information within DEO electronically through email or with a USB or flash drive, these items must contain password protected encryption.

Organizational Structure
The organizational structure encompasses risk management measures that establish clear lines of authority and approval, segregation of duties, separation of key processes and authorization and secure access to financial resources. The DEO Division of Finance and Administration is overseen by the Chief Financial Officer with separate bureaus for: Financial Management, Budget Management, and Monitoring and Compliance. A full organizational chart can be found in Section II. Evaluation of Risk & Management Capacity Checklist.

Note: This is the DOB validation process currently in place for the open CDBG-DR grant, which is geared towards subgrantee implementation. This process may be updated to reflect any changes in the State’s Method of Distribution, which is yet to be finalized at the time of this plan submittal.
DEO annually performs a self-assessment for the Auditor General, to attest to its compliance with practices and procedures concurrent with an internal control environment.

**Responsible Party(ies):** Division of Finance and Administration, Division of Community Development, DEO Chief Information Officer, Director of the Office of Information Security, DEO Executive Director, All DEO Staff, DEO Office of Inspector General

**Procedure(s):**
- Attachment B: Purchasing and Contracting Guidelines
- Attachment C: Purchasing Policy (Policy 4.02)
- Attachment D: Protocols for Protecting Personal Information (Policy 1.11)
- Attachment F: Department of Financial Services - Reference Guide for State Expenditures
- Attachment G: IDIS-DRGR Cash Drawdown Voucher – Approval and FLAIR Update Procedure – HUD-CDBG Grant Activity (Policy CM-04G)
- Attachment H: Cash Draw Process (CM-04B)
- Attachment L: Office of Inspector General Charter (Policy OIG 001)
- Attachment N: Property Management Policy (Policy 4.05)
- Attachment O: Statewide Financial Statements Guidance
- Attachment P: Tools/Reports - Bureau of Financial Management User Documentation
- Attachment R: Accounting Codes Manual
- Attachment U: Annual Financial Statements
- Attachment V: Request for Funds (Payment Approval Workflow)
- Attachment X: Risk Assessment
- Attachment Y: DEO Bureau of Financial Management Grant Management Procedure

 As outlined in the Internal Control section and procedures listed above

**Part C. Bonds - Item 4**
DEO maintains an employee Government Crime Policy through the Hanover Insurance Group and it is maintained through the Florida Department of Management Services. The limit for all insured categories is $500,000. The policy states, “We will pay for loss of or damage to ‘money’, ‘securities’ and ‘other property’ resulting directly from ‘theft’ committed by each ‘employee,’ whether identified or not, acting alone or in collusion with other persons. For the purposes of this insuring agreement, ‘theft’ shall also include forgery.” In addition, DEO requires subrecipients to maintain fidelity bond coverage.

**Responsible Party(ies):** Division of Community Development (for Subgrantees)

**Procedure(s):**
- Attachment T: Government Crime Policy
Part D. Payment and Financial Reporting - Items 5 – 9

Florida's Cash Management Improvement Act (CMIA) agreement with The Secretary of the Treasury in effect through June 30, 2018, does not currently include HUD’s CDBG-DR assistance program. Per 31 CFR 205.4, "federal assistance program[s] that meets or exceeds the threshold for major federal assistance in a State is not subject to [31 CFR Part 205,] Subpart A until it is included in a Treasury-State agreement or in a default procedures." The state has established policies and procedures to minimize the time elapsing between the receipt of funds and disbursement of funds to subrecipients. The timeframe for disbursing funds is three days. In addition, DEO has selected not to receive, pay out or utilize cash advances for the CDBG-DR program.

Recovery of funds including program income, refunds, and rebates will be used before drawing down other funds. These amounts will be recorded and tracked in the FLAIR system and tracked with all program income. All financial accounts utilized for the CBDG or CDBG-DR program will be federally insured accounts. These accounts will be non-interest bearing.

In addition, cash management includes requests for payment from sub-grantees and direct contract vendors, as well as the management of funds drawn down from HUD. The DEO Division of Finance and Administration is responsible for the review and approval of funds requested.

On the following page is a process flow in which the request for a drawdown of funds will occur:
Community Development Request for Funds Process - Proposed

DCO - Budget and Accounting

1. Contract Manager Credit to Documentation Package and Request RFP
   - Yes: Contract Manager approves RFP
   - No: Planning Manager Review RFP

DCO - Program Area

2. Planning Manager Review RFP
   - Yes: Is there a change needed?
   - No: Proceed to next step

3. Process in PUR, Voucher Created

DCO - Financial Management

4. Revenue Management does Financial Review of RFP
   - Yes: Is there a change needed?
   - No: Send RFP back to Local

5. Add to Batch File in system, mark RFP as approved
   - Yes: Proceed to next step
   - No: Return to start

Sub-Department

6. Local Reviews it in System (CGRM/CAM etc.)

7. Send RFP back to Local

8. Cash Received

Part E. Cost Sharing or Matching - Items 11 & 12
DEO’s CDBG disaster program will not be designed as a cost sharing or matching program.

Unrecovered Indirect Cost
DEO will utilize the negotiated indirect cost rate for Housing and Community Programs in the indirect cost rate agreement with the Department of Labor. DEO has an approved indirect cost rate through the Department of Labor of .4258%. The Division of Finance and Administration is well-versed in the federal requirements that are applicable to financial management in 2 CFR 200. DEO will not capture any unrecovered indirect costs for this grant allocation.

Responsible Party(ies): Division of Finance and Administration

Procedure(s):
- Attachment J: Negotiated Indirect Cost Rate Agreement
- Attachment K: Negotiated Indirect Cost Rate Policy
- As outlined in the Cost Sharing or Matching section above

Non-Cash Contributions
DEO’s CDBG disaster program will not be designed as a cost sharing or matching program. Although the program does not require matched or leveraged dollars, DEO does encourage the use of non-CDBG dollars, donations of assets, volunteer labor and services and recovery assistance provided by third-party organizations in maximizing the impact of CDBG assistance. HUD does require that DEO and its subrecipients document and report on these contributions with values identified for each contribution. DEO and its subrecipients shall utilize the valuation standards outlined in both 2 CFR 200.306 and 2 CFR 200.434.

Responsible Party(ies): Division of Finance and Administration

Procedure(s):
- As outlined in the Non-Cash Contributions section above
- Attachment Z: Program Admin Monitoring Checklist - Form DR-02

Part F. Program Income - Items 13 & 14
The Notice for Hurricane Irma describes fully what is considered program income. State procedures, DEO internal finance procedures and subrecipient monitoring procedures, as well as 2 CFR Part 200.302(b)(3) required funds be adequately identified, classified and coded to understand the application of funds utilized by DEO. This specifically includes program income. The finance team
ensures records contain information to the source and use (federal grant, state grant, etc.). All DEO records indicate authorizations, obligations, purchase order number (if applicable), unobligated balances, assets, expenditures, income and interest, if applicable, this ensures all activity is adequately supported by source documents.

DEO will use the DRGR system to track program income receipts, disbursements and revolving loan funds (if applicable). If the state allows local governments or subrecipients to retain program income, the state will establish program income accounts in the DRGR system. The DRGR system requires grantees to use program income before drawing additional grant funds, and ensures that program income retained by one organization will not affect grant draw requests for other organizations. DEO expects to generate no program income through its planned activities.

**Responsible Party(ies):** Division of Finance and Administration

**Procedure(s):**

- Attachment F: Department of Financial Services - Reference Guide for State Expenditures
- Attachment G: IDIS-DRGR Cash Drawdown Voucher – Approval and FLAIR Update Procedure – HUD-CDBG Grant Activity (Policy CM-04G)
- Attachment H: Cash Draw Process (CM-04B)
- Attachment P: Tools/Reports - Bureau of Financial Management User Documentation
- Attachment R: Accounting Codes Manual

**Part G. Revision of Budget and Program Plans - Items 15 & 16**

All substantial action plan amendments (changes to non-construction award, project's budget, scope, or objectives) will be posted for no less than 14 calendar days to solicit public comment before being submitted to HUD for final approval. Non-substantial action plan amendments will not be posted for public comment or submitted to HUD for approval. All final approved action plan amendments will be posted to a permanent section on the webpage designated for action plans and amendments.

DEO will engage citizens throughout the disaster recovery program to maximize the opportunity for input on proposed program changes that result in a substantial amendment. Program changes result in a substantial amendment when there is:

- a change in program benefit or eligibility criteria;
- the addition or deletion of an activity; or
- the allocation or reallocation of more than 10 percent of the original appropriation (approximately $61.6 million).

For construction awards, DEO will request HUD approval before making budget revisions whenever (a), (b), or (c) below applies to a construction award:

- a. The revision results from changes in the scope or the objective of the project or program.
- b. The need arises for additional federal funds to complete the project.
c. A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in 2 CFR part 200, Subpart E—Cost Principles

Any program changes to budget activities will be updated in the HUD projections and expenditures template and in DRGR.

**Responsible Party(ies):** Division of Finance and Administration, Division of Community Development

**Procedure(s):**
- Attachment G: FA Procedures - CM-04 IDIS-DRGR Draw Down Approval Process
- As outlined in the Revision of Budget and Program Plans section above

**Part H. Period of Performance - Item 17**

CDBG-DR pre-award costs incurred by DEO and its subrecipients are eligible for reimbursement to the extent they would have been allowable after the award, subject to:

1. Inclusion in the action plan;
2. Compliance with environmental review requirements;
3. The activity for which payment is being made must comply with all other applicable statutory and regulatory provisions, including qualification as a CDBG-DR assisted activity.

DEO, consistent with HUD Notice CPD-15-07, may also charge to its CDBG-DR grant the pre-application costs of homeowners, businesses and other qualifying entities for eligible costs they have incurred in response to the events covered by the disaster declaration with these conditions:

1. May only charge the costs for rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings, including commercial properties, owned by private individuals and entities and incurred before the owner applies for CDBG-DR assistance;
2. For rehabilitation and reconstruction costs, DEO may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area;
3. Costs must be adequately documented;
4. DEO must review action plans to determine whether an amendment will be required (including to eligible beneficiaries);
5. DEO must complete a duplication of benefits check before providing assistance;
6. DEO must ensure that the expenses are necessary expenses of recovery;
7. Expense eligibility date begins on the date of the disaster;
8. Expenses can only be reimbursed if the individual or entity incurred the expenses within one year after the date of the disaster and before the date on which they applied for CDBG-DR assistance, but extension of the one-year term may be granted by HUD on a case-by-case basis.

The requirements meet 2 CFR 200.309 authorized pre-award cost guidance.

**Responsible Party(ies):** Division of Finance and Administration, Division of Community Development
Procedure(s):
- Attachment A: Contract and Grant Management User Guide
- Attachment V: Request for Funds (Payment Approval Workflow)
- As outlined in the Period of Performance section above

Part I. Record Retention and Access - Item 18
Recipient accounting records are supported by source documentation stored in compliance with recordkeeping requirements. The department’s financial record-keeping practices will be applied to the CDBG-DR program to ensure records adequately identify the source and application of CDBG-DR funds provided and maintain source documentation to evidence the costs incurred and dates of expenditure.

The Department follows guidance outlined in the Department of Financial Services - Reference Guide for State Expenditures which provides state agencies the requirements applicable to the disbursement of funds from the State Treasury. The guide states that, “the originating agencies are required to maintain the original vouchers, purchasing card transaction receipts and all supporting documentation for a minimum of five fiscal years, provided all applicable audits have been completed.”

Responsible Party(ies): Division of Finance and Administration, Division of Community Development

Procedure(s):
- Attachment F: Department of Financial Services - Reference Guide for State Expenditures
- Attachment P: Tools/Reports - Bureau of Financial Management User Documentation

Part J. Audit Requirements - Items 19 – 26
DEO has current audit policies and procedures that require the following:

- If an external auditor is needed, whether procurement or arrangement for the audit services is in accordance with Florida and Federal requirements;
- Factors to be applied to be considered in evaluating the proposal for audit services which includes the responsiveness to request for proposal, relevant experience, availability of staff with professional qualifications, price and technical abilities, such as peer and external quality control reviews;
- Positive efforts to utilize small businesses, minority owned firms, and women's business enterprises, in procuring audit services;
- Subrecipients to prepare financial statements, including the schedule of expenditures of federal awards;
- Monitoring to ensure subrecipients who meet the Single Audit threshold of $750,000 obtain a Single Audit;
- DEO to issue a management decision letter after review of subrecipient audit findings;
- Prompt follow-up and corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action; and
• Subrecipients to have a Single Audit, Schedule of Expenditures of Federal Awards (SEFA), list of significant accounting policies used in preparing the SEFA, a summary of prior audit findings and a corrective action plan.

DEO will ensure the auditee financial statement(s) prepared for HUD program(s) includes at a minimum:

• A schedule of expenditures of federal awards for the program and notes that describe the significant accounting policies used in preparing the schedule, and
• A summary schedule of prior audit findings consistent with the requirements of 2 CFR 200.511(b) if applicable, and
• A corrective action plan consistent with the requirements of 2 CFR 200.511(c).

In addition, DEO requires:

• Single Audit for annual expenditures in excess of $750,000;
• Sufficient systems to submit electronic data collection and reporting package to Federal Clearinghouse within required time frame;
• That the HUD award is charged only reasonably proportionate share of the cost of audits required.

**Responsible Party(ies):** Director of Community Development, Bureau Chief of Small Cities and Rural Communities, Office of Auditor General

**Procedure(s):**

• Attachment A: Contract and Grant Management User Guide
• Attachment B: DEO Purchasing and Contracting Guidelines (June 2014)
• Attachment C: Purchasing Policy (Policy 4.02)
• Attachment E: Financial Assistance Audit and Audit Resolution Responsibilities
| Attachment | A | Contract and Grant Management User Guide |
| Attachment | B | Purchasing and Contracting Guidelines |
| Attachment | C | Purchase Policy (Policy 4.02) |
| Attachment | D | Protocols for Protecting Personal Information (Policy 1.11) |
| Attachment | E | Financial Assistance Audit and Audit Resolution Responsibilities |
| Attachment | F | Department of Financial Services Reference Guide for State Expenditures |
| Attachment | G | FA Procedures - CM-04G IDIS-DRGR Cash Draw Down Voucher Approval Process |
| Attachment | H | FA Procedures - CM-04B Cash Draw Process |
| Attachment | I | FA Procedures - DIS-04B Contract Grant Disbursement Payment Process |
| Attachment | J | Negotiated Indirect Cost Rate Agreement |
| Attachment | K | Negotiated Indirect Cost Rate Policy |
| Attachment | L | Office of Inspector General Charter (Policy OIG 001) |
| Attachment | N | Property Management Policy (Policy 4.05) |
| Attachment | O | Statewide Financial Statements Guidance |
| Attachment | P | Tools/Reports - Bureau of Financial Management User Documentation |
| Attachment | Q | Cash Management Improvement Act Agreement |
| Attachment | R | Accounting Codes Manual |
| Attachment | S | A-133 Single Audit FY 2017 |
| Attachment | T | Government Crime Policy BDJ1035861 |
| Attachment | U | Annual Financial Statements |
| Attachment | V | Request for Funds (Payment Approval Workflow) |
| Attachment | W | Intentionally Omitted |
| Attachment | X | Risk Assessment |
| Attachment | Y | DEO Bureau of Financial Management Grant Management Procedure |
| Attachment | Z | Program Admin Monitoring Checklist - Form DR-02 |