PROP MONITORING PLAN SUMMARY

Pre-Funding Review -- Eligibility Monitoring

1. Loans will be reviewed by OCD to ensure they meet BRGL PROP guidelines (Using the BRGL PROP Eligibility and Underwriting Review Checklist)

2. Loans will be reviewed by OCD for adherence to HUD CDBG underwriting guidelines:
    a. Are project costs reasonable?
    b. Are all sources of financing committed?
    c. Funds are not substituting for non-Federal support?
    d. Is the project financially feasible?
    e. Is the return on equity reasonable?
    f. Are CDBG funds being disbursed on a pro-rata basis?

3. Loans will be reviewed by OCD for applicable CDBG Regulations depending on funding use:
    a. National Objectives
    b. Civil Rights (incl. Section 3 and Section 504)
    c. Environmental Requirements
    d. Labor Requirements
    e. Procurement Requirements

4. On-site review of all businesses prior to funding

During Funding Review -- Performance Monitoring

1. Review of 100% of funded businesses' records and documentation to:
    a. Confirm program compliance
    b. Manage program performance
    c. Ensure continued compliance
    d. Minimize fraud, waste and abuse
    e. Assure timely and accurate disbursement of funds

2. On-site review of all businesses during funding period within 1 year of closing

3. Review a 20% random sample of sub-recipient's contractor's documentation. If the level of non-compliance is significant, the sample size will be increased by 10%

4. Verify that all files contain all required closing documents and related information

Post-funding Review

1. Verify files contain all required documentation, especially use of funds information

2. Require quarterly financial statements from all businesses due on the 30th of the month following the previous quarter