



Texas Department of Agriculture
Texas Community Development Block Grant Program
PO Box 12877
Austin, TX 78711

POLICY ISSUANCE

CDBG 12-01

EFFECTIVE DATE: October 12, 2012

SUBJECT: Single Audits

PURPOSE:

The Texas Community Development Block Grant Program (TxCDBG) provides a way for eligible applicants to receive funds to meet national program objectives that benefit low and moderate income (LMI) persons, meet urgent needs, or eliminate slums or blight.

BACKGROUND:

The goal of the Program, as stated in the Housing and Community Development Act of 1974 (as amended), is to develop "communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons."

HUD regulations governing the program are found at 24 CFR Part 570. Texas administrative rules governing the program are found in the Texas Administrative Code, Title 4, Part 1, Chapter 30, Subchapter A, Division 1.

ACTION:

This Policy Issuance outlines program eligibility requirements for communities that have failed to meet single audit requirements.

EFFECTIVE DATE:

All guidance in this document is effective immediately for new applications submitted as of the date of this policy issuance.

Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions or if we can provide any further assistance, please contact me, or Manager of Project Management Suzanne Barnard at 512-936-0247 or Suzanne.Barnard@TexasAgriculture.gov.

Becky Dempsey, CDBG State Director
Texas Community Development Block Grant Program

I. Single Audits.

Communities are required to comply with all single audit requirements, including timely submission of Audit Certification Forms (ACF). Failure to meet single audit requirements will result in a hold on all existing contract amendment and draw requests until the Community meets all audit requirements.

A Community that has been delinquent in meeting single audit requirements by failing to submit a required single audit for over five years is ineligible to receive any TxCDBG funds for a period of five years beginning on the date the audit was due.

After the five-year ineligibility period expires, TDA may, in its sole discretion, determine that the Community is eligible to apply for and receive TxCDBG funding, provided the Community submits the following:

1. A certified, written explanation from the chief elected official that outlines the events that led to the Community's inability to meet audit requirements, including any extenuating circumstances or force majeure that contributed to the failure. Inability to pay for a single audit will not constitute an extenuating circumstance.
2. Documentation of the Community's ability to meet future audit requirements, including proof of successful annual audits conducted by a certified public accounting (CPA) firm or CPA for at least 3 years.
3. Documentation that the Community has retained a CPA firm or CPA with the expertise to assist the Community with meeting single audit and ACF requirements.

The single audit submission requirement is not waived.

If the Community is able to submit the single audit at a later time after becoming re-eligible to receive TxCDBG funding, it must immediately submit the single audit to TDA.