

**ROBERT BENTLEY**  
GOVERNOR



**JIM BYARD, JR.**  
DIRECTOR

STATE OF ALABAMA

# MEMORANDUM

TO: All CDBG and Disaster Grantees

FROM: Shabbir Olia, Unit Chief, CED Programs *SAS*

DATE: March 12, 2014

RE: **HUD Form 2516 (Contract and Subcontract Activity Form)**  
**Revision to ADECA Memorandum dated November 14, 2013**

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Starting with FY-2014\*, there will be a procedure change for Form 2516 as follows:

- **Report All Contracts and Subcontracts Each Fiscal Year:** All contracts and subcontracts with "significant" CDBG participation (see next bullet) will be reported each year. ADECA will subtract out prior year contracts. Annual reporting of contracts will enable us to track all "significant" contracts.
- **Report Contracts and Subcontracts of Less than \$10,000 CDBG Dollars If the Contract is "Significant" to the Project:** ADECA has observed that many of our Minority and Woman Owned Businesses are clustered in the contracts of \$10,000 and less CDBG dollars. Please report these contracts and subcontracts so that we can more accurately keep up with contract amounts.
- **Do Not Report Local Funds:** Only contracts and subcontracts that have CDBG dollars in them will be reported. (For example, if the administration is paid from local only funds, it will not be reported to ADECA). If both CDBG dollars and local dollars are included in a contract, report only the CDBG dollars.
- **First Report:** The first report will not be due until all Letter of Conditional Commitment (LCC) start-up requirements have been met and the Grant Agreement has been signed by the locality.
- **\*Fiscal Year 2014:** The fiscal year 2014 began on October 1, 2013.
- **Use the Current Budget:** Each contract amount reported will reflect the current or closeout budget including any de-obligations and change orders that change the CDBG funds for administration, engineering/architecture, construction, etc. Purchase of materials, advertisements, and non-contracted amounts will not be reported.

**Closeout Form 2516:** At closeout, the closeout FY-2014 Form 2516 will be checked against each line item in the closeout budget. This procedure change will apply to each CDBG and Disaster grant with a closeout letter dated **October 1, 2013**, and later.

Please direct any questions to Johnnie Streeter at (334) 242-5451 or Jan Thomas at (334) 353-2909.