



U. S. Department of Housing and Urban Development

Columbia Field Office
Strom Thurmond Federal Building
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www.hud.gov

February 1, 2018

Joe D. Mergo III, County Administrator
Lexington County
212 South Lake Drive, Suite 401
Lexington, South Carolina 29072

Mr. Mergo:

RE: Community Development Block Grant-Disaster Recovery (CDBG-DR) Program
Grant Number: B-16-UH-45-0001
Fiscal Year 2018 Monitoring

This letter confirms the scheduled monitoring visit for the above-referenced grant during the period of February 26 – March 2, 2018. The enclosure provides names of the HUD Team that will be conducting the review and the specific areas to be reviewed. The monitoring review will begin with an entrance conference on Monday, February 26, 2018 at 9:00 a.m. The purpose of this entrance conference will be to explain how the monitoring will be conducted, confirm key program participant staff that will assist during the monitoring, confirm meeting or interview times, and verify the programs/activities to be reviewed.

A Financial Management review is designed to assess the grantee's conformity to financial management requirements. Lexington County's financial management system will be reviewed for compliance with Subpart J, Grant Administration and 2 CFR Part 200, Subpart E. A limited review of administrative costs, including staff, overhead and travel expenditures, will also be conducted for compliance.

Please set aside office workspace, and have staff and the listing of requested documents found in the enclosure readily available for HUD staff to conduct the monitoring. There will be an exit conference on Friday, March 2, 2018 at 9:00 a.m. The exit conference will provide an overview and preliminary results of the monitoring session.

We look forward to meeting with you and your staff during this visit. If there are any questions, please contact Steven D. Edwards, at 803-765-5292 or Steven.D.Edwards@hud.gov

Sincerely,

A handwritten signature in blue ink that reads "Bradley S. Evatt".

Bradley S. Evatt, Director
Community Planning and Development

Enclosure

SUMMARY OF REVIEW AND REQUESTED INFORMATION

PURPOSE

The purpose of this monitoring visit is to review Lexington County's supplemental disaster recovery CDBG activities funded under P.L. 114-113. In general, the scope will include fundability documentation, overall program management, financial management, program progress, and policy controls for fraud, waste and mismanagement. Technical Assistance (TA) will be provided as needed in all areas reviewed and in program specific areas as requested by the grantee. The goals of this visit are to ensure efficacy and efficiency of management of disaster recovery funds by Lexington County, compliance with local policies and procedures, and to ensure adequate documentation of eligibility and national objectives through local file review. The following programs, areas and functions of the CDBG-DR grants will be monitored or provided technical assistance.

B-16-UH-45-0001

- Overall Program Management
 - Grant Management
 - Staff Capacity
 - Progress of Expenditures
- Overall Financial Management
- Lex Co CDBG-DR Housing Buyouts
 - Policies and Procedures
 - Eligibility and National Objective Documentation
 - Participant File Review
- Lex Co CDBG-DR Minor Housing Rehab
 - Policies and Procedures
 - Eligibility and National Objective Documentation
 - Contractor Oversight
 - Participant File Review
- Overall Relocation Management
- TA as needed/requested

MONITORING EXHIBITS TO BE USED

- Exhibit 6-1 Guide for Review of Overall Management of CDBG Disaster Recovery Grants
- Exhibit 6-2 Guide for Review of Flood Zone and Floodway Buyouts and Non-Buyout Acquisitions
- Exhibit 6-6 Guide for Review of Housing Rehabilitation and Reconstruction
- Exhibit 6-9 Guide for Review of Financial Management
- Exhibit 25-2 Guide for Review of Relocation and Real Property Acquisition Projects