

# CDBG SMALL CITIES POLICY BULLETIN 2024-02



**DATE:** December 31, 2024  
**TO:** CDBG Grantees and Interested Parties  
**FROM:** Andrew Hayman, CDBG Director  
**RE:** Unique Entity IDs and Excluded Parties

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The purpose of this Bulletin is to remind grantees and grant administrators of the requirements and best practices in securing necessary UEIs and ensuring that contractors working on CDBG projects are not debarred or suspended from participation in federally funded projects.

## Unique Entity IDs

A grantee and prime contractor on a CDBG-funded project must register with SAM.gov to receive a Unique Entity ID (UEI) and must be in an “Active Registration” status. Subrecipients and subcontractors\* must register with SAM.gov and receive a UEI, however, they do not require an “Active Registration” status. The UEI number must be provided to the prime contractor and grantee as soon as possible.

A grantee, subrecipient, contractor, or subcontractor who is not a registered entity in SAM.gov must request a Unique Entity ID as soon as possible. Even if the entity already has a DUNS Number, they will need to request a Unique Entity ID to participate in federally funded projects.

Refer to the FAQ at the Federal Service Desk to obtain a UEI. Registrations must be updated and renewed each year to remain active. For more information on registering a new entity, follow this link to the [FAQ](#). Follow these steps to [renew an existing entity](#).

**\*Subrecipients and subcontractors do not need to receive an “Active Registration” in SAM.gov. The organization is required to obtain a UEI, but it can be in an “ID Assigned” status.**

See Excluded Parties below for further information about contractor verifications.

## Excluded Parties

Any organization that is debarred or suspended or is otherwise excluded from or ineligible from or ineligible for participation in federally assisted programs shall be deemed an Excluded Party.

Grantees must not award any contract to any organization that is considered an Excluded Party. This applies to any CDBG-assisted contract at any tier in the process. Contracts that are equal to or greater than \$25,000 are considered a “Covered Transaction” and are subject to the excluded parties' requirements under this bulletin. Contracts that are below \$25,000 are not subject to the excluded parties' section under this bulletin.

- Prior to contract execution (\$25,000 or more), the grantee must check the organization's name against the SAM.gov found at <https://sam.gov/content/home>.
- The grantee must document that the organization is not on the exclusions list with a screenshot from SAM.gov showing the results of an exclusion search - OR- a copy of a self-certification form completed by the lower tier contractor certifying they are not suspended or debarred (see attachment).
- The grantee must also document if the organization was not subject to an excluded parties' check per the requirements of this bulletin and the reason(s) why it is exempt.

Documentation proving verification of contractor eligibility, prior to contract execution, will be checked at monitoring.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

This certification is required by the regulations implementing Executive Orders 12549 and 12689, Debarment and Suspension, and 2 CFR 2424.220, Participants' responsibilities.

*(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS BELOW)*

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principles are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**Grant Number:** \_\_\_\_\_ **Name of Participant:** \_\_\_\_\_

**Address of Participant:** \_\_\_\_\_

Name and Title of Authorized Representative	Signature	Date
<ol style="list-style-type: none"><li>1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.</li><li>2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.</li><li>3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.</li><li>4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Orders 12549 and 12689.</li><li>5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.</li><li>6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.</li><li>7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may check the System for Award Management (SAM).</li><li>8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.</li><li>9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.</li></ol>		