INSTRUCTIONS FOR PREPARATION OF
STATEMENT OF COMPLIANCE

This statement of compliance meets needs resulting from the amendment of the Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay fringe benefits as predetermined by the Department of Labor, in addition to payment of the minimum rates. The contractor's obligation to pay fringe benefits may be met by pay lent of the fringes to the various plans, funds, or programs or by making these payments to the employees as cash in lieu of fringes.

The contractor should show on the face of his payroll all monies paid to the employees whether as basic rates or as cash in lieu of fringes. The contractor shall represent in the statement of compliance that he is paying to others fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions follow:

Contractors who pay all required fringe benefits:

A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor shall continue to show on the face of his payroll the basic cash hourly rate and overtime rate paid to his employees, just as he has always done. Such a contractor shall check paragraph 4(a) of the statement to indicate that he is also paying to approved plans, funds, or programs not less than the amount predetermined as fringe benefits for each craft. Any exception shall be noted in Section 4(c).

Contractors who pay no fringe benefits:

A contractor who pays no fringe benefits shall pay to the employee and insert in the straight time hourly rate column of his payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. In as much as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on the basic or regular rate plus the required cash in-lieu of fringes at the straight time rate. To simplify computation of overtime, it is suggested that the straight time basic rate and cash in lieu of fringes be separately stated in the hourly rate column, thus $3.25/.40. In addition, the contractor shall check paragraph 4(b) of the statement to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c). Exceptions

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in Section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employees as cash in lieu of fringes, and the hourly amount paid to plans, funds, or programs as fringes.
1. FID NUMBER
2. CONTRACTOR ID NUMBER
3. NAME AND ADDRESS OF PRIME CONTRACTOR
   - NAME: 
   - (Street Address)
4. IS THIS COMPANY MINORITY OWNED [ ] OR WOMAN OWNED [ ]
5. PROJECT NUMBER
6. NAME AND ADDRESS OF PROJECT
   - Name: 
   - Address: 
7. PROJECT NUMBER
8. IS THIS PROJECT COVERED BY A PROJECT LABOR AGREEMENT (PLA)? [ ] YES [ ]
9. TRADE OR CRAFT
<table>
<thead>
<tr>
<th>TRADE OR CRAFT</th>
<th>PROJECTED TOTAL EMPLOYEES</th>
<th>PROJECTED MINORITY EMPLOYEES</th>
<th>PROJECTED PHASE IN</th>
<th>PROJECTED COMPLETION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MAIN</td>
<td>FEMALE</td>
<td>MAIN</td>
<td>FEMALE</td>
</tr>
<tr>
<td>1. ASBESTOS WORKER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. BRICKLAYER OR MASON</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. CARPENTER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ELECTRICIAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. GLAZIER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. HVAC MECHANIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. IRONWORKER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. OPERATING ENGINEER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. PAINTER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. PLUMBER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. ROOFER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. SHEET METAL WORKER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. SPRINKLER FITTER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. STEAMFITTER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. SURVEYOR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. TILER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. TRUCK DRIVER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. LABORER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. OTHER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. OTHER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

(Signature)

10. (Please Print Your Name) (Title)
    (Area Code) (Telephone Number) (Ext.) (Date)
INSTRUCTIONS FOR COMPLETING THE INITIAL PROJECT 
WORKFORCE REPORT – CONSTRUCTION (AA201)

DO NOT COMPLETE THIS FORM FOR GOODS AND/OR SERVICE CONTRACTS

1. Enter the Federal Identification Number assigned to the contractor by the Internal 
Revenue Service, or if a Federal Employer Identification Number has been applied for 
but not yet issued, or if your business is such that you have not or will not receive a 
Federal Identification Number, enter the social security number assigned to the single 
owner or one partner, in the case of a partnership.

2. Note: The Department of Labor & Workforce Development, Construction EEO Monitoring Program will assign 
a contractor ID number to your company. This number will be your permanently assigned contractor ID number 
that must be on all correspondence and reports submitted to this office.

3. Enter the prime contractor’s name, address and zip code number.

4. Check box if Company is Minority Owned or Woman Owned

5. Enter the complete name and address of the Public Agency awarding the contract. 
Include the contract number, date of award and dollar amount of the contract.

6. Enter the name and address of the project, including the county in which the project is 
located.

7. Note: A project contract ID number will be assigned to your firm upon receipt of the completed 
Initial Project Workforce Report (AA201) for this contract. This number must be 
indicated on all correspondence and reports submitted to this office relating to this 
contract.

8. Check “Yes” or “No” to indicate whether a Project Labor Agreement (PLA) was established 
with the labor organization(s) for this project.

9. Under the Projected Total Number of Employees in each trade or craft and at each level of 
classification, enter the total composite workforce of the prime contractor and all 
subcontractors projected to work on the project. Under Projected Employees enter total 
minority and female employees of the prime contractor and all subcontractors projected to 
work on the project. Minority employees include Black, Hispanic, American Indian and Asian, 
(J=Journeyworker, AP=Apprentice). Include projected phase-in and completion dates.

10. Print or type the name of the company official or authorized Equal Employment Opportunity 
(EEO) official include signature and title, phone number and date the report is submitted.

This report must be submitted to the Public Agency that awards the contract and the Department of Labor & Workforce 
Development, Construction EEO Compliance Monitoring Program after notification of award, but prior signing the contract.

THE CONTRACTOR IS TO RETAIN A COPY AND SUBMIT COPY TO THE PUBLIC AGENCY AWARDING 
THE CONTRACT AND FORWARD A COPY TO:

NEW JERSEY DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT 
CONSTRUCTION EEO COMPLIANCE MONITORING UNIT 
P.O. BOX 209 
TRENTON, NJ 08625-0209 
(609) 292-9550
## Utilization Report

**U.S. Department of Labor**  
Employment Standards Administration  
Office of Federal Contract Compliance Programs

### Name and Location of Contractor

**PROJECT TITLE**

**OCC NO:**

### TOTAL FEDERAL CONSTRUCTION HOURS

<table>
<thead>
<tr>
<th>5.</th>
<th>6a. Total All Employees By Trade</th>
<th>6b. Black (Not of Hispanic Origin)</th>
<th>6c. Hispanic</th>
<th>6d. Asian or Pacific Islander</th>
<th>6e. American Indian or Alaskan Native</th>
<th>7. Minority Percentage</th>
<th>8. Female Percentage</th>
<th>9. Total Number of Employees</th>
<th>10. Total Number of Minority Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
</tbody>
</table>

### Additional Information

12. Telephone Number (including area code)  
13. Date Signed  

---  

Form CC-257
The Monthly Employment Utilization Report (CC-257) requires that each subject contractor (both prime and sub) and signed by an official of the company. The reports are to be filed by the 5th day of each month during the term of the contract, shall include the total work-hours for each employee classification in each trade in the covered area for the reporting period. The prime contractor shall submit a report for its aggregate work force and collect and submit each subcontractor's aggregate work force to the Federal compliance agency that has Executive Order 11246.

Agency
U.S. Government agency assigned responsibility for equal employment opportunity. (Secure this information from the contracting officer).

Funding Agency
U.S. Government agency funding project (in whole or in part). If more than one agency, list all.

Affirmative Action
Any contractor who has a construction contract with the U.S. Government or a contract funded in whole or in part with Federal funds.

Geographic Area
Includes Blacks, Hispanics, American Indians, Alaska Natives, and Asian and Pacific Islanders—both men and women.

Area Identification Number
Geographic area identified in Notice required under 41 CFR 60.4.2

Social Security Numbers
Federal Social Security Number used on Employer's Quarterly Federal Tax Return (U.S. Treasury Department Form 941).

Goals (Minority & Female)
See contract notification.

Reporting Period
Monthly, or as directed by the compliance agency, beginning with the effective date of the contract.

Construction Trade
Only those construction crafts which contractor employs in the covered area.

Hours of Employment (a-e)
a. The total number of male hours and the total number of female hours worked by employees in each classification.
b-e. The total number of male hours and the total number of female hours worked by each specific group of minority employees in each classification.

Occupation
The level of accomplishment or status of the worker in the trade (Journey, Apprentice, Trainee).

Percentage
The percentage of total minority work-hours of all work-hours (the sum of columns 6b, 6c, 6d, and 6e divided by column 6a; just one figure for each construction trade).

Percentage
For each trade the number reported in 6a. F divided by the sum of the number reported in 6a, M and F.

Number of Employees
Total number of male and total number of female employees working in each classification of each trade in the contractor's aggregate work force during reporting period.

Number of Minority Employees
Total number of male minority employees and total number of female minority employees working in each classification of each trade in the contractor's aggregate work force during reporting period.
Record of Employee Interview

U.S. Department of Housing and Urban Development
Office of Labor Relations

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information is collected to ensure compliance with the Federal labor standards by recording interviews with construction workers. The information collected will assist HUD in the conduct of compliance monitoring; the information will be used to test the veracity of certified payroll reports submitted by the employer. Sensitive Information: The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained. The information collected herein is voluntary, and any information provided shall be kept confidential.

1a. Project Name
1b. Project Number
1c. Contractor or Subcontractor (Employer)

2a. Employee Name
2b. Employee Phone Number (including area code)
2c. Employee Home Address & Zip Code
2d. Verification of identification?
   Yes [ ] No [ ]

3a. How long on this job?
3b. Last date on this job before today?
3c. No. of hours last day on this job?

4a. Hourly rate of pay?
4b. Fringe Benefits?
   vacation [ ] Yes [ ] No [ ]
   medical [ ] Yes [ ] No [ ]
   pension [ ] Yes [ ] No [ ]
4c. Pay stub?
   [ ] Yes [ ] No

5. Your job classification(s) (list all) --- continue on a separate sheet if necessary

6. Your duties

7. Tools or equipment used

8. Are you an apprentice or trainee? [ ] Y [ ] N
9. Are you paid for all hours worked? [ ] Y [ ] N
10. Are you paid at least time and ½ for all hours worked in excess of 40 in a week? [ ] Y [ ] N
11. Have you ever been threatened or coerced into giving up any part of your pay? [ ] Y [ ] N

12a. Employee Signature
12b. Date
13. Duties observed by the Interviewer (Please be specific.)

14. Remarks

15a. Interviewer name (please print)
15b. Signature of Interviewer
15c. Date of interview

Payroll Examination
16. Remarks

17a. Signature of Payroll Examiner
17b. Date

Previous editions are obsolete
Section 3

What is Section 3?
Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

How does Section 3 promote self-sufficiency?
Section 3 is a starting point to obtain job training, employment and contracting opportunities. From this integral foundation coupled with other resources comes the opportunity for economic advancement and self-sufficiency.

- Federal, state and local programs
- Advocacy groups
- Community and faith-based organizations

How does Section 3 promote homeownership?
Section 3 is a starting point to homeownership. Once a Section 3 resident has obtained employment or contracting opportunities they have begun the first step to self-sufficiency.

Remember, “It doesn’t have to be fields of dreams”. Homeownership is achievable. For more information visit our HUD website.

Who are Section 3 residents?
Section 3 residents are:

- Public housing residents or
- Persons who live in the area where a HUD-assisted project is located and who have a household income that falls below HUD’s income limits.

Determining Income Levels

- Low income is defined as 80% or below the median income of that area.
- Very low income is defined as 50% or below the median income of that area.

What is a Section 3 business concern?
A business that:

- Is 51 percent or more owned by Section 3 residents;
- Employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or
• Provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.

What programs are covered?
Section 3 applies to HUD-funded Public and Indian Housing assistance for development, operating, and modernization expenditures.
Section 3 also applies to certain HUD-funded Housing and Community Development projects that complete housing rehabilitation, housing construction, and other public construction.

What types of economic opportunities are available under Section 3?
• Job training
• Employment
• Contracts

Any employment resulting from these expenditures, including administration, management, clerical support, and construction, is subject to compliance with Section 3.

Examples of Opportunities include:
• Accounting
• Architecture
• Appliance repair
• Bookkeeping
• Bricklaying
• Carpentry
• Carpet Installation
• Catering
• Cement/Masonry
• Computer/Information
• Demolition
• Drywall
• Electrical
• Elevator Construction
• Engineering
• Fencing
• Florists
• Heating
• Iron Works
• Janitorial
• Landscaping
• Machine Operation
• Manufacturing
• Marketing
• Painting
• Payroll Photography
• Plastering
• Plumbing
• Printing Purchasing
• Research
• Surveying
• Tile setting
• Transportation
• Word processing

Who will award the economic opportunities?
Recipients of HUD financial assistance will award the economic opportunities. They and their contractors and subcontractors are required to provide, to the greatest extent feasible, economic opportunities consistent with existing Federal, State, and local laws and regulations.
Who receives priority under Section 3?

For training and employment:
- Persons in public and assisted housing
- Persons in the area where the HUD financial assistance is spent
- Participants in HUD Youthbuild programs
- Homeless persons

For contracting:
- Businesses that meet the definition of a Section 3 business concern

How can businesses find Section 3 residents to work for them?

Businesses can recruit Section 3 residents in public housing developments and in the neighborhoods where the HUD assistance is being spent. Effective ways of informing residents about available training and job opportunities are:
- Contacting resident organizations, local community development and employment agencies
- Distributing flyers
- Posting signs
- Placing ads in local newspapers

Are recipients, contractors, and subcontractors required to provide long-term employment opportunities, not simply seasonal or temporary employment?

Recipients are required, to the greatest extent feasible, to provide all types of employment opportunities to low and very low-income persons, including permanent employment and long-term jobs.

Recipients and contractors are encouraged to have Section 3 residents make up at least 30 percent of their permanent, full-time staff.

A Section 3 resident who has been employed for 3 years may no longer be counted towards meeting the 30 percent requirement. This encourages recipients to continue hiring Section 3 residents when employment opportunities are available.

What if it appears an entity is not complying with Section 3?

There is a complaint process. Section 3 residents, businesses, or a representative for either may file a complaint if it seems a recipient is violating Section 3 requirements are being on a HUD-funded project.

Will HUD require compliance?

Yes. HUD monitors the performance of contractors, reviews annual reports from recipients, and investigates complaints. HUD also examines employment and
contract records for evidence that recipients are training and employing Section 3 residents and awarding contracts to Section 3 businesses.

**How can Section 3 residents or Section 3 business concerns allege Section 3 violations?**

You can file a written complaint with your local HUD Field Office.

A written complaint should contain:

- Name and address of the person filing the complaint
- Name and address of subject of complaint (HUD recipient, contractor or subcontractor)
- Description of acts or omissions in alleged violation of Section 3
- Statement of corrective action sought i.e. training, employment or contracts
HUD Compliance and Monitoring?
HUD monitors the performance of recipients and contractors. HUD examines employment and contract records for evidence of actions taken to train and employ Section 3 residents and to award contracts to Section 3 businesses. HUD provides technical assistance to recipients and contractors in order to obtain compliance with Section 3 requirements.

What if it appears that an entity is not complying with Section 3?
There is a complaint process. Section 3 residents and business concerns may file complaints if they think a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. There are appeal rights to the Secretary. Section 3 residents and businesses may also seek judicial relief.

How can Section 3 businesses or residents complain about a violation of Section 3 requirements?
They can file a complaint in writing to the local HUD FHEO Office or to:

The Assistant Secretary for Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
451 Seventh Street, SW, Room 5100
Washington, DC 20410-2000
1-800-669-9777
1-800-927-9276 (TTY)

A written complaint should contain:
1. Name and address of the person filing the complaint;
2. Name and address of subject of complaint (HUD recipient or contractor);
3. Description of acts or omissions in alleged violation of Section 3;
4. Statement of corrective actions sought.
Section 3 Act

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (as amended), requires that economic opportunities generated by certain HUD financial assistance for housing (including Public and Indian Housing) and community development programs shall, to the greatest extent feasible, be given to low and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.

Other HUD programs covered by Section 3 (to distinguish between HUD Public and Indian housing programs) are those that provide housing or community development assistance for housing rehabilitation, housing construction, or other public construction project.

Who are Section 3 residents?

Public housing residents including persons with disabilities.

Low and very low income persons who live in the area where a HUD assisted project is located.

What is a Section 3 business?

A section 3 business is one:

- That is owned by Section 3 residents
- Employs Section 3 residents or
- Subcontracts with businesses that provide opportunities to low and very low income persons.

What types of Economic Opportunities are available under Section 3?

- Jobs and Employment opportunities
- Training and Educational opportunities
- Contracts and Business opportunities

Who will provide the Economic Opportunities?

Recipients of HUD financial assistance and their contractors and subcontractors are expected to develop a Section 3 Plan to assure that economic opportunities to the greatest extent feasible, are provided to low and very low-income persons and to qualified Section 3 businesses. One element of that Plan is the use of a Section 3 clause which indicates that all work performed under the contract are subject to the requirements of Section 3.

Who receives Economic Opportunities under Section 3?

For training and employment:
- persons in public and assisted housing;
- persons in the affected project neighborhood;
- participants in HUD Youth-build programs;
- homeless persons.

For contracting:
- businesses which fit the definition of a Section 3 business.

How can individuals and businesses find out more about Section 3?

Contact the Fair Housing and Equal Opportunity representative at your nearest HUD Office.
Why HUD Enforces Section 3?

Each year the U.S. Department of Housing and Urban Development invests billions of federal dollars into distressed communities for projects designed to build and rehabilitate housing, improve roads, develop community centers, and otherwise assist families achieve the American Dream.

The Section 3 regulation recognizes that HUD funding typically results in projects/activities that generate new employment, training and contracting opportunities. These economic opportunities not only provide "bricks and mortar", but can also positively impact the lives of local residents who live in the neighborhoods being redeveloped.

Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] is HUD’s legislative directive for providing preference to low- and very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.

Further, as a condition of receiving HUD Community Planning and Development assistance, recipients certify that they will comply with the requirements of Section 3 annually pursuant to 24 CFR 570.607(b). Accordingly, the Department has the legal responsibility to monitor recipients for compliance and can impose penalties upon those that fail to meet these obligations.

Applicability of Section 3 to Community Planning & Development Assistance

The requirements of Section 3 apply to recipients of HUD Community Planning and Development funding exceeding $200,000.

All projects/activities involving housing construction, demolition, rehabilitation, or other public construction—i.e., roads, sewers, community centers, etc. that are completed with covered funding, are subject to the requirements of Section 3.

[Note: the requirements of Section 3 do not apply on a per-project-basis. Rather, the requirements apply to all covered construction and rehabilitation activities that are funded with covered assistance.

Contractors or subcontractors that receive contracts in excess of $100,000 for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as the direct recipient that provided funding to them.

If the recipient agency receives Section 3 covered funding and invests these funds into covered projects/activities, but no individual contract exceeds $100,000, responsibility for complying with Section 3 only applies to the recipient.

Accordingly, recipient must attempt to reach the Section 3 minimum numerical goals found at 24 CFR Part 135.30 by: 1) Awarding 10 percent of the total dollar amount of all covered construction contracts to Section 3 businesses; and 2) Hiring Section 3 residents for 30 percent of new employment opportunities.
Section 3 Covered Community Planning and Development funding

- Community Development Block Grants (CDBG)
- Home Investment Partnership Assistance
- Housing Opportunities for Persons with Aids (HOPWA)
- Economic Development Initiative (EDI)
- Brownfield Economic Development Initiative (BEDI)
- Emergency Shelter Grants
- Homeless Assistance
- University Partnership Grants
- Neighborhood Stimulus Program (NSP)
- Certain Grants Awarded Under HUD Notices of Funding Availability (NOFAs)

*NOTE: The requirements of Section 3 only apply to the portion(s) of covered funding that were used for project/activities involving housing construction, rehabilitation, demolition, or other public construction.

Section 3 applies to the entire covered project or activity regardless of whether the activity was fully or partially funded with covered assistance.

Section 3 Covered Recipient Agencies

"Recipient" refers to any entity that receives Section 3 covered financial assistance directly from HUD or from another recipient and includes, but is not limited to any of the following:

- States; Units of Local Government; Native American Tribes; or other Public Bodies
- Public or Private Nonprofit Organizations
- Private Agencies or Institutions
- Mortgagors; Developers; Limited Dividend Sponsors; Builders; Property Managers; Community Housing Development Organizations
- Successors, assignees or transferees of any such entity listed above

Recipients do NOT include any ultimate beneficiary under the HUD program that Section 3 applies and does NOT refer to contractors.

Triggering the Requirements of Section 3

Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities.

The Section 3 regulations should not be construed to mean that recipients are required to hire Section 3 residents or award contracts to Section 3 businesses other than what is needed to complete covered projects/activities.

If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements of Section 3 have not been triggered. However, each agency must still submit Section 3 annual reports indicating this information.
Recipient Responsibilities Pursuant to Section 3

Each recipient (and their covered contractors, subcontractors, or subrecipients) are required to comply with the requirements of Section 3 for new employment, training, or contracting opportunities resulting from the expenditure of covered funding. This responsibility includes:

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;

2. Notifying potential contractors working on Section 3 covered projects of their responsibilities;

3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];

4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;

5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;

6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;

7. Documenting actions taken to comply with Section 3; and

8. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

In addition to the responsibilities described above, State and County agencies or consortia that distribute covered funds to units of local government, nonprofit organizations, or other subrecipients, must attempt to reach the minimum numerical goals set forth at 24 CFR Part 135.30, regardless of the number of subrecipients that receive covered funding. State or County agencies must also do the following:

1. Inform subrecipients about the requirements of Section 3;

2. Assist subrecipients and their contractors with achieving compliance;

3. Monitor subrecipients' performance with respect to meeting the requirements of Section 3; and

4. Report to HUD on the cumulative Section 3 activities taking place within their jurisdiction on an annual basis.
Section 3 Residents and Business Concerns

Section 3 Residents Are:

1. Residents of Public and Indian Housing; or

2. Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local HUD income limits set forth for low- or very low-income households.

Section 3 Business Concerns Are One of the Following:

1. Businesses that are 51 percent or more owned by Section 3 residents;

2. Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or

3. Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

In accordance with the regulation, residents and businesses concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or subrecipient (if requested) verifying that they meet the definitions provided above.

Recipients can use their discretion for determining the type of verification that is required by prospective Section 3 residents and business concerns. Some examples include: proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

Section 3 Summary Reports (Form HUD-60002)

Annually, each direct recipient of Community Planning and Development funding is required to submit form HUD-60002 to HUD’s Economic Opportunity Division in Washington, DC., preferably online from the following website: www.hud.gov/section3.

Due Date: Recipients of covered Housing and Community Development assistance are required to submit Form HUD-60002 at the same time as annual performance reports (e.g., CAPERS reports)

The Section 3 Summary Report shall follow the same program, fiscal, or calendar year as the annual performance report and should correspond to the covered projects and activities that were administered during the reporting period.

NOTE: Section 3 reports must be submitted by all agencies that receive Community Planning and Development funding in excess of $200,000 whether the requirements were triggered or not.
Determining What Should Be Reported on Form HUD-60002

Section 3 Annual Summary Reports are intended to measure each recipient’s efforts to comply with the statutory and regulatory requirements of Section 3 in its own operations \textbf{AND} those of its covered contractors, subcontractors, and subrecipients. Each submission of form HUD-60002 should indicate the following:

- The total dollar amount of HUD funding that was received by the recipient for covered projects/activities during the specified reporting period.

- The total number of new employees that were hired by the recipient and/or its covered contractors, subcontractors, and subrecipients, as a result of performing or completing covered project/activities.

- The number of new employees that were hired by the recipient (or its covered contractors, subcontractors, and subrecipients), as a result of covered projects/activities, that met the definition of a Section 3 resident.

- The total number of man hours worked on covered projects (optional).

- The aggregate number of hours worked by Section 3 residents on covered projects (optional).

- The total number of Section 3 residents that participated in training opportunities that were made available by the recipient agency, its contractors, subrecipients, or other local community resource agencies.

- The total dollar amount of construction and/or non-construction contracts (or subcontracts) that were awarded with covered funding.

- The dollar amount of the recipient’s construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.

- Detailed narrative descriptions of the specific actions that were taken by the recipient (or its covered contractors, subcontractors, subrecipients, or others) to comply with the requirements of Section 3 and/or meet the minimum numerical goals for employment and contracting opportunities.
Section 3 Reporting and Compliance Determinations

Absent evidence to the contrary, the Department considers recipients of covered funding to be in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR Part 135.30. Specifically:

a. 30 percent of the aggregate number of new hires shall be Section 3 residents;

b. 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and

c. 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the Department to make a compliance determination.

Recipients that submit Section 3 reports containing all zeros, without a sufficient explanation to justify their submission, are in noncompliance with the requirements of Section 3.

Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs pursuant to 24 CFR Part 24.

Recipients that are subject to annual A-133 Audits may also receive an audit finding for failure to submit form HUD-60002 to HUD.

Important Notes for Submitting Form HUD-60002

- Recipients must submit a separate form HUD-60002 for each type of covered funding (e.g., separate reports must be submitted for CDBG and HOME funding).

- Use the online Section 3 Summary Reporting System at: [www.hud.gov/section3](http://www.hud.gov/section3) to ensure that form HUD-60002 is received by the Economic Opportunity Division in HUD Headquarters in a timely manner.

- The “reporting period” option in the online Section 3 Summary Reporting System (box #7) lists quarters but the Section 3 reporting is an annual requirement. Accordingly, recipients should select Quarter 4 to document the total amount of covered activities/projects that were completed during the entire reporting period.

- If the recipient (or its covered contractors, subcontractors and subrecipients) did not hire any new employees during the reporting period, and/or if no covered construction or non-construction contracts were awarded, the recipient must indicate this in Part III of form HUD-60002 and certify that this information is true and accurate by penalty of law.
Where Are Reports Submitted

Form HUD-60002 must be submitted to HUD’s Economic Opportunity Division, in Washington, DC. Recipients are strongly encouraged to submit form HUD-60002 online at: www.hud.gov/section3.

Recipients can also download a hard copy of form-HUD 60002 from the website listed above. Hard copies shall be submitted via fax or mail to:

U.S. Department of Housing and Urban Development
Attn: Economic Opportunity Division
451 Seventh Street, SW
Room 5235
Washington, DC 20410
202-708-1286 (fax)

Additional Section 3 Guidance and Technical Assistance

The Economic Opportunity Division is committed to providing recipient’s guidance and technical assistance for compliance with the requirements of Section 3.

For additional information, please visit the Section 3 website at: www.hud.gov/section3. This webpage provides the following tools and information:

- Section 3 Statute—12 U.S.C. 1701u
- Section 3 Regulation—24 CFR Part 135
- Frequently Asked Questions
- Section 3 Model Programs
- Guidance on Section 3 and Economic Stimulus Funding
- Guidance on Section 3 and the Neighborhood Stimulus Program (NSP)
- Sample Section 3 Certification Forms (residents and business concerns)
- Link to HUD’s Local Income Eligibility Calculator
- Link to Section 3 Annual Reporting System(form HUD-60002)
- Downloadable Forms
- Contact Information for Economic Opportunity Division staff
- Email inquiries on Section 3 can be sent to section3@hud.gov
### Section 3 Summary Report

Economic Opportunities for Low- and Very Low-Income Persons

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

Section back of page for Public Reporting Burden statement

1. Recipient Name & Address: (street, city, state, zip)
2. Federal Identification: (grant no.)
3. Total Amount of Award
4. Contact Person
5. Phone: (Include area code)
6. Length of Grant
7. Reporting Period
8. Date Report Submitted
9. Program Code: (Use separate sheet for each program code)
10. Program Name

#### Part I: Employment and Training (**Columns B, C and F are mandatory fields. Include New Hires in E & F**)

<table>
<thead>
<tr>
<th>A</th>
<th>Number of New Hires</th>
<th>C</th>
<th>% of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents</th>
<th>E</th>
<th>% of Total Staff Hours for Section 3 Employees and Trainees</th>
<th>F</th>
<th>Number of Section 3 Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technicians</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office/Clerical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction by Trade (List)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (List)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total**

---

* Program Codes
  1 = Flexible Subsidy
  2 = Section 202/811
  3 = Public/Indian Housing
  A = Development
  B = Operation
  C = Modernization
  4 = Homeless Assistance
  5 = HOME
  6 = HOME State Administered
  7 = CDBG Entitlement
  8 = CDBG State Administered
  9 = Other CDBG Programs
  10 = Other Housing Programs
### Part II: Contracts Awarded

1. **Construction Contracts:**
   - A. Total dollar amount of all contracts awarded on the project
     - $ 
   - B. Total dollar amount of contracts awarded to Section 3 businesses
     - $ 
   - C. Percentage of the total dollar amount that was awarded to Section 3 businesses
     - %  
   - D. Total number of Section 3 businesses receiving contracts

2. **Non-Construction Contracts:**
   - A. Total dollar amount of all non-construction contracts awarded on the project/activity
     - $ 
   - B. Total dollar amount of non-construction contracts awarded to Section 3 businesses
     - $ 
   - C. Percentage of the total dollar amount that was awarded to Section 3 businesses
     - %
   - D. Total number of Section 3 businesses receiving non-construction contracts

### Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

---

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very low-income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.
Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1980. The Section 3 regulations apply to any public and Indian housing programs that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants. The completion of the report shall be required of recipients of housing and community development assistance in excess of $200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction, or (3) other public construction projects, and to contracts and subcontracts in excess of $100,000 awarded in connection with the Section 3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to employment and training. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to contracting. Part III summarizes recipients' efforts to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons. A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. Only Prime Recipients are required to submit this report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.

HUD Field Office: Enter the Field Office name.
Recipients: Enter the name and address of the recipient submitting this report.
Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement, or contract.
Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
Reporting Period: Edit the time period (months and years) of this report covers.
Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities
Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners, and computer programmers). For contract positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.
Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in Column A in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered assistance.
Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered assistance or at the time of receipt of Section 3 covered assistance.
Column D: Enter the percentage of all the staff hours of new hires (Section 3 resident) in connection with this award.
Column E: Enter the percentage of all the staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities
Block 1: Construction Contracts
Item A: Enter the total dollar amount of all contracts awarded on the project/program.
Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.
Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts
Item A: Enter the total dollar amount of all contracts awarded on the project/program.
Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.
Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts - Self-explanatory

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. Very low-income persons mean low-income families (including single persons) whose incomes do not exceed 60 percent of the median family income area, as determined by the Secretary, with adjustments for smaller and larger families, except that...
EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT
FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS
THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES
You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME
You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT
Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES
Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY
If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

Community Development
Hall of Records Annex
1 East Main Stree, 2nd Floor
Freehold, NJ 07728
732-431-7460
Fax 732-308-2995
TTY 732-683-0128

or contact the U.S. Department of Labor’s Wage and Hour Division.

For additional information:
1-866-4-USWAGE
(1-866-487-9243) TTY: 1-877-889-5627
WWW.WAGEHOUR.DOL.GOV
Job Safety and Health
It's the law!

EMPLOYEES:
- You have the right to notify your employer or OSHA about workplace hazards. You may ask OSHA to keep your name confidential.
- You have the right to request an OSHA inspection if you believe that there are unsafe and unhealthy conditions in your workplace. You or your representative may participate in that inspection.
- You can file a complaint with OSHA within 30 days of retaliation or discrimination by your employer for making safety and health complaints or for exercising your rights under the OSH Act.
- You have the right to see OSHA citations issued to your employer. Your employer must post the citations at or near the place of the alleged violations.
- Your employer must correct workplace hazards by the date indicated on the citation and must certify that these hazards have been reduced or eliminated.
- You have the right to copies of your medical records and records of your exposures to toxic and harmful substances or conditions.
- Your employer must post this notice in your workplace.
- You must comply with all occupational safety and health standards issued under the OSH Act that apply to your own actions and conduct on the job.

EMPLOYERS:
- You must furnish your employees a place of employment free from recognized hazards.
- You must comply with the occupational safety and health standards issued under the OSH Act.

This free poster available from OSHA - The Best Resource for Safety and Health

Free assistance in identifying and correcting hazards or complying with standards is available to employers, without citation or penalty, through OSHA-supported consultation programs in each state.

1-800-321-OSHA
www.osha.gov
The Occupational Safety and Health Act of 1970 provides job safety and health protection for workers by promoting safe and healthful working conditions throughout the Nation. Provisions of the Act include the following:

**Employers**
All employers must furnish to employees employment and a place of employment free from recognized hazards that are causing or are likely to cause death or serious harm to employees. Employers must comply with occupational safety and health standards issued under the Act.

**Employees**
Employees must comply with all occupational safety and health standards, rules, regulations and orders issued under the Act that apply to their own actions and conduct on the job.

The Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor has the primary responsibility for administering the Act. OSHA issues occupational safety and health standards, and its Compliance Safety and Health Officers conduct job site inspections to help ensure compliance with the Act.

**Inspection**
The Act requires that a representative of the employer and a representative authorized by the employee be given an opportunity to accompany the OSHA inspector for the purpose of aiding the inspection. Where there is no authorized employee representative, the OSHA Compliance Officer must consult with a reasonable number of employees concerning safety and health conditions in the workplace.

**Complaint**
Employees or their representatives have the right to file a complaint with the nearest OSHA office requesting an inspection if they believe unsafe or unhealthful conditions exist in their workplace. OSHA will withhold, on request, names of employees complaining. The Act provides that employees may not be discharged or discriminated against in any way for filing safety and health complaints or for otherwise exercising their rights under the Act. Employees who believe they have been discriminated against may file a complaint with their nearest OSHA office within 30 days of the alleged discriminatory action.

**Citation**
If upon inspection OSHA believes an employer has violated the Act, a citation alleging such violations will be issued to the employer. Each citation will specify a time period within which the alleged violation must be corrected.

The OSHA citation must be prominently displayed at or near the place of alleged violation for three days, or until it is corrected, whichever is later, to warn employees of dangers that may exist there.

**Proposed Penalty**
The Act provides for mandatory civil penalties against employers of up to $7,000 for each serious violation and for optional penalties of up to $7,000 for each nonserious violation. Penalties of up to $7,000 per day may be imposed for failure to correct violations within the proposed time period and for each day the violation continues beyond the prescribed abatement date. Also, any employer who willfully or repeatedly violates the Act may be assessed penalties of up to $70,000 for each such violation. A minimum penalty of $5,000 may be imposed for each willful violation. A violation of posting requirements can bring a penalty of up to $7,000.

There are also provisions for criminal penalties. Any willful violation resulting in the death of any employee, upon conviction, is punishable by a fine of up to $250,000 (or $500,000 if the employer is a corporation), or by imprisonment for up to six months, or both. A second conviction of an employer doubles the possible term of imprisonment. Falsifying records, reports, or applications is punishable by a fine of $10,000 or up to six months in jail or both.

**Voluntary Activity**
While providing penalties for violations, the Act also encourages efforts by labor and management, before an OSHA inspection, to reduce workplace hazards voluntarily and to develop and improve safety and health programs in all workplaces and industries. OSHA's Voluntary Protection Programs recognize outstanding efforts of this nature.

OSHA has published Safety and Health Program Management Guidelines to assist employers in establishing or perfecting programs to prevent or control employee exposure to workplace hazards. There are many public and private organizations that can provide information and assistance in this effort, if requested. Also, your local OSHA office can provide considerable help and advice on solving safety and health problems or can refer you to other sources for help such as training.

**Consultation**
Free assistance in identifying and correcting hazards and in improving safety and health management is available to employers, without citation or penalty, through OSHA-supported programs in each State. These programs are usually administered by the State Labor or Health department or a State university.

**Posting Instructions**
Employers in States operating OSHA-approved State Plans should obtain and post the State's equivalent poster.

Under provisions of Title 29, Code of Federal Regulations, Part 1903.2(a)(1), employers must post this notice (or facsimile) in a conspicuous place where notices to employees are customarily posted.

More Information

Additional information and copies of the Act, OSHA safety and health standards, and other applicable regulations may be obtained from your employer or from the nearest OSHA Regional Office in the following locations:

- Atlanta, GA: (404) 562-2300
- Boston, MA: (617) 565-8860
- Chicago, IL: (312) 353-2220
- Dallas, TX: (214) 767-4731
- Denver, CO: (303) 844-1800
- Kansas City, MO: (816) 426-3661
- New York, NY: (212) 337-0376
- Philadelphia, PA: (215) 596-1201
- San Francisco, CA: (415) 978-4310
- Seattle, WA: (206) 593-5930

Washington, DC
1997 (Reprinted)
OSHA 2203

Alexis M. Herman, Secretary of Labor

U.S. Department of Labor
Occupational Safety and Health Administration

This information will be made available to sensory impaired individuals upon request. Voice phone: (202) 219-8515. TDD message referral phone: 1-800-336-2517