



Elizabeth Boehringer

August 22, 2014

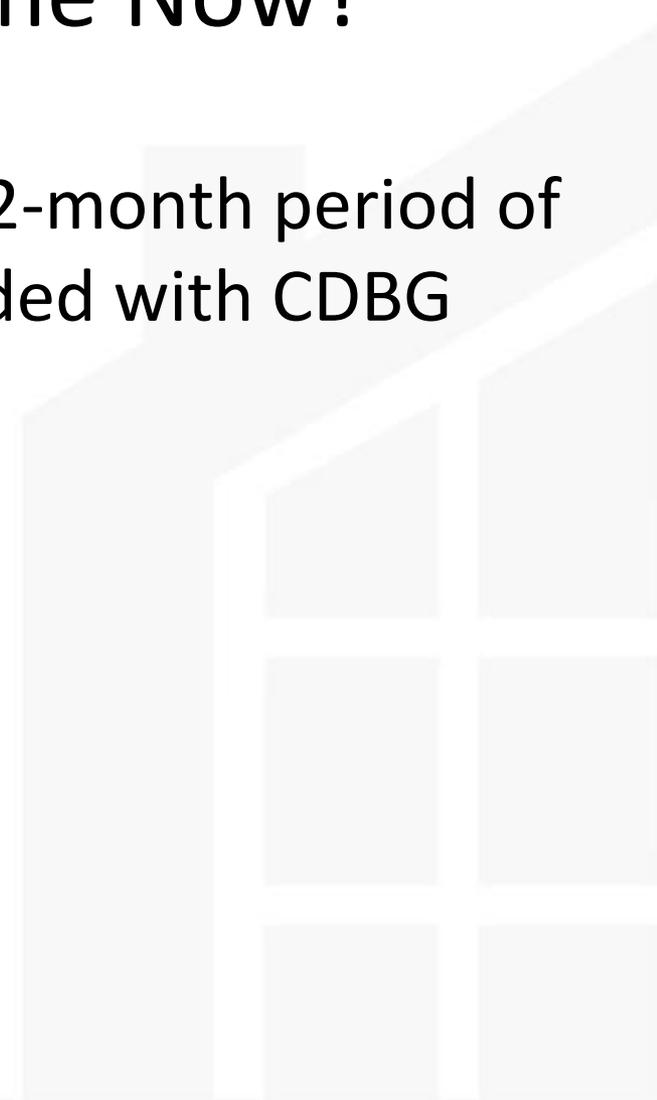
CDBG PROGRAM INCOME UPDATE

New Policy

- HUD has issued new regulations for State CDBG programs regarding program income generated by CDBG projects
- Effective with grants administratively closed out on or after ***October 1, 2014***
- 24 CFR Part 570

What is Program Income Now?

Proceeds or revenue received in a 12-month period of \$35,000 or more from a project funded with CDBG monies



Any Changes to Active Program Income?

Revenue generated as a result of a CDBG investment and received during implementation of a project *before* administrative closeout

What Are the Changes Then?

- Revenue earned in a 12-month period *after* administrative closeout are now categorized as either:
 - Miscellaneous Revenue, or
 - Inactive Program Income

What Is Miscellaneous Revenue?

- Proceeds received in a 12-month period of ***less than \$35,000*** from an administratively closed project funded with CDBG monies
- Funds must be accumulated and reported before it can be used according to the DHCD-approved Program Income Plan
- Proceeds may only be used for ***the same activities*** for which the revenue was generated

What is Now Inactive Program Income?

- Revenue received in a 12-month period of **\$35,000 or more** from an administratively closed project
- Funds must be accumulated and reported just like miscellaneous revenue
- Funds must either be returned to DHCD or expended **after** a proposed work plan is approved by DHCD

What About Lump Sum Payments?

- Any ***lump sum*** receipt of inactive program income of $\geq \$35,000$ during a state fiscal year must be reported to DHCD at the time it is received ***and*** transmitted to DHCD within 60 days
- Returned funds should be made payable to “*Treasurer of Virginia.*” The memo line should indicate the grant number and the type of funds being returned e. g.; CDBG inactive program income

How Do I Report?

- DHCD will forward a form to be filled out every summer
- Reports will have to be submitted every year for a period of 5 years from administrative closeout
- Proceeds received by Grantees managing more than one CDBG contract during the 5-year window will include the aggregate of all inactive program income and miscellaneous revenue received in any given year

What About the New Annual Report?

ANNUAL INACTIVE PROGRAM INCOME REPORT

Grant: _____ Report Period: 7/1/2015 - 6/30/2015

Prepared by: _____ Phone Number: _____

PROJECT NUMBER	MISCELLANEOUS REVENUE <\$35,000	INACTIVE PROGRAM INCOME ≥\$35,000	LUMP SUM PROCEEDS EARNED ≥\$35,000 (Already returned)	TOTAL PROCEEDS EARNED THIS REPORTING PERIOD	DATE PROJECT ADMINISTRATIVELY CLOSED
13-100	\$25,000.00	\$0.00	\$75,000.00	\$100,000.00	10/1/2014
13-101	\$0.00	\$36,000.00	\$45,000.00	\$81,000.00	12/1/2014
13-102	\$4,000.00	\$0.00	\$0.00	\$4,000.00	3/1/2015
				\$0.00	
				\$0.00	
				\$0.00	
TOTALS	\$29,000.00	\$36,000.00	\$120,000.00	\$185,000.00	

CERTIFICATION
 I certify, to the best of my knowledge and belief, the information contained in this report accurately reflects the proceeds generated by the Community Development Grant(s) funded by the Virginia Department of Housing and Community Development.

Signature of Chief Executive Officer _____ Date _____

Printed Name _____

ATTACHMENTS:
 Check
 Work Plan/Budget

Questions and Answers

