

2026 MULTI-JURISDICTIONAL WINDSOR PARK RECONCILIATION AGREEMENT

THIS AGREEMENT (the “Agreement”) is made on May 19, 2026 by and between Clark County, Nevada (the “County”), the State of Nevada’s Housing Division of the Department of Business and Industry (the “State” or “Subrecipient”), and the City of North Las Vegas, (the “City”), collectively referred to in this Agreement as the “Parties”.

WHEREAS, the County is the recipient of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (“CDBG”) funds from the United States Government under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383 (the “Act”); and

WHEREAS, the County received CDBG funds from HUD, sub awarded them to the City, and the City awarded those funds to the Windsor Park revitalization project. The County was eligible to receive CDBG funds as a qualified urban county and the City was a metropolitan region funded through the County’s grant; and

WHEREAS, in 1998, the City issued a \$4 million general obligation bond to finance a relocation project in the City’s Windsor Park neighborhood. The County planned to use future CDBG funds to repay the principal balance on the loan over a 10-year period. Fannie Mae purchased the bond in 1998. In 1999, the County’s board of commissioners approved the use of CDBG funds to repay the loan to Fannie Mae; and

WHEREAS, between 1998 and 2008, the City used a total of \$3 million in CDBG funds to make payments on the bond. Payments were approximately \$300,000 per year over the 10-year period. The remaining \$1 million of bond payments were paid for using the City’s general fund; and

WHEREAS, CDBG funds should have been spent within a two-year period, absent a waiver from HUD. HUD did not receive a waiver request from the County on behalf of the City to use CDBG funds to repay the bond and HUD did not grant the County approval to make the payments; and

WHEREAS, in 2002 the City became an eligible CDBG recipient as a metropolitan city. The City received its first independent CDBG funding in 2003; and

WHEREAS, after fully paying off the bond, the City retained \$2.4 million in CDBG funds in a special revenue fund for Windsor Park as of 2008. By 2023, the amount in the special revenue fund totaled \$2.7 million due to interest accrual and limited participation in the voluntary program; and

WHEREAS, in 2023, the Nevada State legislature passed Senate Bill 450, the Windsor Park Environmental Justice Act (“SB450”), which was approved by the Governor on June 16, 2023, that mandated the City reallocate the retained Windsor Park CDBG funds to the State. The City transferred the remaining funds (\$2,757,851.27, of which \$399,831 was interest income) to the State in January 2024.

WHEREAS, in October 2023, HUD received a letter from the City notifying HUD of the remaining \$2.4 million CDBG funds, the enactment of Nevada SB450, and the City’s intention to transfer the remaining funds to the State in January 2024; and

WHEREAS, in April 2024, HUD issued a letter of Noncompliance to the County. Three (3) findings of noncompliance with the CDBG Program were identified: 1) noncompliance with pre-award costs regulations; 2) noncompliance for not having accurate, current, and complete disclosure of the financial results of the CDBG Program; and 3) not returning to the Treasury the interest earned on funds used in advance of need. In a June 2024 letter, HUD downgraded the finding of noncompliance with pre-award costs regulations to a Concern; and held all findings in abeyance in favor of a tri-party solution for use of the remaining CDBG funds in accordance with CDBG eligible activities to accomplish a national objective; and

WHEREAS, CDBG funds are to be used for undertaking the activities identified in Section II of this Agreement.

NOW, THEREFORE, the Parties agree to the following:

SECTION I. ROLES AND RESPONSIBILITIES

- A. The County**, as the original recipient of the CDBG funds described in this Agreement and the party subject to HUD findings related to the expenditure of these funds, will ensure that eligible activities as identified below are carried out in a manner consistent with CDBG program requirements, any additional requirements imposed by HUD as a condition of providing these CDBG funds, and in accordance with the State of Nevada’s 2025 – 2029 Consolidated Plan. The County is responsible for working with HUD on the handling of any open activities and findings related to Windsor Park, working towards closure.
- B. The State**, as the subrecipient of the County, will carry out the eligible activities agreed upon by the Parties and consistent with all program requirements set forth in this Agreement and any conditions imposed by HUD.
 - a. As the holder of the CDBG funds that are the subject of this Agreement, the Subrecipient agrees to enter into an intergovernmental agreement with the Nevada Governor’s Office of Economic Development (“GOED”). The agreement will direct the GOED, as the administrator of Nevada’s CDBG program, to initiate the amending State of Nevada’s 2025 – 2029 Consolidated Plan to incorporate the eligible activities agreed to by the Parties in this Agreement and in accordance with program requirements. The agreement will also direct GOED to initiate activities described in this Agreement in HUD’s Integrated Disbursement and Information System (“IDIS”), using local account funds (LA Funds), so that HUD can track activities, expenditures, and performance.
 - b. As the holder of the CDBG funds that are the subject of this Agreement, the Subrecipient will return to the U.S. Department of the Treasury the \$300,000 that is subject to repayment under the finding HUD issued to the County. The Subrecipient shall follow the instructions for repayment in Attachment A and provide evidence of the repayment to the County for closure of the HUD finding.
 - c. The Subrecipient is encouraged to coordinate and work cooperatively with the GOED, which administers Nevada’s CDBG program and is experienced in ensuring compliance with program requirements.

- C. **The Parties** acknowledge that HUD is available to provide technical assistance to the Parties related to the administration of the activities described in this Agreement, as such assistance may be needed.

SECTION II. STATEMENT OF WORK

- A. The CDBG funds allocated pursuant to this Agreement may be used for an eligible CDBG Entitlement Program use as set forth in 24 CFR Part 570, including without limitation, for demolishing homes located in the Windsor Park Neighborhood.

SECTION III. GENERAL CONDITIONS AND PROGRAM REQUIREMENTS

The State, as the subrecipient of the County, will comply with the following:

- A. **Compliance with Program Requirements and Recordkeeping:** The Subrecipient shall be responsible for ensuring that all applicable CDBG Entitlement program requirements, and all applicable federal laws, including laws related to civil rights and nondiscrimination, labor, and the environment, are complied with in the administration of funds that are the subject of this Agreement. This includes the appropriate documentation of all national objectives, eligible activities, and all other program requirements. This also includes all provisions in 24 CFR Part 570 and 2 CFR Part 200 applicable to subrecipients of CDBG Entitlement program grants, to the extent that such regulations, and any other regulations cited in this Agreement, are consistent with the requirements for activities carried out by the State. In the event of such inconsistencies, the Subrecipient shall follow regulations applicable to State-run activities.
- B. **Financial Management and Internal Controls:** The Subrecipient must comply with the requirements of 2 CFR §200.302 Financial management and ensure that it expends and accounts for grant funds under this award in accordance with its State laws and procedures for expending and accounting for its own funds. The State must also comply with the requirements of 2 CFR §200.303 Internal controls and establish and maintain effective internal control over the grant funds under this award that provides reasonable assurance that the State is managing grants funds in compliance with Federal statutes, regulations, and the terms and conditions of this award.
- C. **Administrative Costs:** The Subrecipient must ensure that CDBG administrative and planning costs under this award are properly spent and accounted for, are properly allocated to the CDBG program, and are not spent in excess of the 20% cap on administrative and planning costs.
- D. **Reporting Requirements:** The Subrecipient must be responsible for maintaining all required documentation in its administration of these funds. The State must provide the County with all appropriate documentation to ensure that the County can meet all reporting requirements under the CDBG Entitlement program. This will not alter the County's responsibility to ensure that adequate documentation is maintained to support all costs related to the activities described in this Agreement.
- E. **Environmental Review Responsibilities:** As part of the intergovernmental agreement between the Subrecipient and GOED, the Subrecipient will designate Clark County to serve as the responsible entity for purposes of compliance with environmental responsibilities described at 24 CFR §570.604. The intergovernmental agreement will

establish that Clark County will comply with all environmental review requirements, shall complete all work associated with the environmental review process and will provide such information for approval and request for release of funds. GOED and Clark County shall coordinate together in the process, to the extent necessary for GOED to fulfill its obligations under the intergovernmental agreement.

- F. Integrated Disbursement and Information System Access and Approval:** Every drawdown request in IDIS must have an originator and an approver, and no single IDIS user may have both the originator and approver role on any drawdown request. For these CDBG funds, the Subrecipient will utilize the GOED, which will be the originator of the IDIS voucher. The Subrecipient will utilize the GOED to input a monthly update within the accomplishment narrative section in IDIS. The Subrecipient's role in carrying out functions in IDIS shall not in any way alter the County's responsibilities to ensure that CDBG funds are used in accordance with all program requirements.

SECTION IV. CONDITIONS OF THIS AGREEMENT

- A. Amendments:** The Parties may amend this Agreement at any time, provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization. Such amendments shall not invalidate this Agreement, nor relieve or release the Parties from their obligations under this Agreement.
- B. Suspension or Termination:** In accordance with 2 CFR part 200, subpart D, the County may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:
- a. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
 - c. Ineffective or improper use of funds provided under this Agreement; or
 - d. Submission, by the Subrecipient to the County, of reports that are incorrect or incomplete in any material respect. In accordance with 2 CFR part 200, subpart D, this Agreement may also be terminated for convenience by either the County or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. Any such termination by either party shall not be effective until approved by HUD. Before termination by the County can be effected, remedies given in 2 CFR §200.339 must be shown to be ineffective. Notification must be provided in writing at least 30 days prior to the effective date of termination.
- C. Severability:** If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.
- D. Section Headings and Subheadings:** The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.
- E. Waiver:** The County's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the

County to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

- F. Entire Agreement:** This Agreement constitutes the entire agreement between the Parties for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Parties with respect to this Agreement.
- G. Delay or Omission:** No delay or omission in the exercise or enforcement of any right or remedy accruing to a Party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.
- H. Provision Required by Law Deemed Inserted:** Each and every provision of law and clause required by law to be inserted in this contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of any Party the contract shall forthwith be amended to make such insertion or correction.
- I. No Third-Party Beneficiaries:** This Agreement does not create, nor is it intended to create, any third-party beneficiaries. The County, the State, and the City shall remain the only Parties to this Agreement and the only Parties with the right to enforce any provision thereof and shall have the right, without the necessity of consent of any third party, to modify or rescind this Agreement.

The Parties have executed and delivered this Agreement on the date set forth next to their respective signatures below, but effective as of the date first above written.

[Signatures on following pages]

APPROVED this ____ day of _____, 202__

CLARK COUNTY, NEVADA

By: _____
Kevin Schiller, County Manager

Attest:

By: _____
Lynn Marie Goya, County Clerk

Approved as to form:

STEVEN B. WOLFSON
DISTRICT ATTORNEY

By: Brandon M. Thompson Digitally signed by
Brandon M. Thompson
Date: 2026.05.05
13:57:23 -07'00' DATE: 05/05/2026
Brandon M. Thompson
Deputy District Attorney

**HOUSING DIVISION OF THE DEPARTMENT OF BUSINESS AND INDUSTRY,
STATE OF NEVADA**

By (signature):

Steve Aichroth
TITLE: Administrator

Date: _____

CITY OF NORTH LAS VEGAS, NEVADA

By: _____
Micaela Moore, City Manager

Attest:

By: _____
Jackie Rogers, City Clerk

Approved as to form:

By: _____ DATE: _____
Andrew Moore
City Attorney

**ATTACHMENT A: HUD Memorandum – Methods for Returning Community
Development Grant Funds**

[On following pages]



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

MEMORANDUM FOR: All Field Office Community Planning and Development (CPD)
Division Directors and Regional CPD Directors

FROM: Elizabeth S. Hendrix, Acting Deputy Assistant Secretary
for Grant Programs, DG ELIZABETH HENDRIX

SUBJECT: Methods for Returning Community Development Block
Grant Funds

Digitally signed by: ELIZABETH HENDRIX
DN: CN = ELIZABETH HENDRIX C = US O =
U.S. Government OU = Department of
Housing and Urban Development, Office of
Community Planning and Development
Date: 2022.04.15 17:18:00-0400

This document provides basic instructions on returning Community Development Block Grant (CDBG) funds. This document consolidates the instructions for all methods of returning funds and provides revised instructions to report grant funds that have been returned to a grantee's local account. This document also provides instructions concerning excess program income in the Entitlement CDBG program.

What's New in This Memo

The Office of Block Grant Assistance periodically prepares this memorandum on the advice of the HUD Accounting Operations Center as changes occur to the methods for returning funds. This memo was last issued on September 16, 2022. Changes from that memo include:

- Removed the \$2,000 cash limit for returning funds via check.
- Changed the URL for pay.gov and updated the cash limit for transactions sent via pay.gov.
- Updated the contact's name in HUD's Office of the Chief Financial Officer (CFO) responsible for processing returned excess program income.

For HUD-directed repayments from a grantee, the HUD Field Office will determine the appropriate repayment method. For grantee-directed repayments resulting from a grantee's monitoring and review of subrecipients or subgrantees, the grantee should consult with the HUD field office regarding the method of repayment. The applicable scenarios for each repayment method are as follows:

1. Returning funds to the program Line of Credit
2. Returning funds to the U.S. Treasury
3. Returning grant funds to a grantee's local program account (LA funds)
4. Returning program income (PI), revolving funds (RL), or state revolving funds (SF) to a grantee's local program account
5. Returning excess program income to HUD (Applies to the CDBG Entitlement Communities, Hawaii Counties, and Insular Areas)

For each method described above, detailed guidance is provided below regarding both the financial transactions and Integrated Disbursement and Information System (IDIS) reporting.

Note that this guidance does not apply to reimbursements made under the Section 108 Loan Guarantee Program. Any questions about Section 108 reimbursements should be directed to the Financial Management Division, Office of Block Grant Assistance, at Section108@HUD.GOV.

I. Returning Funds to The Program Line of Credit

Return grant funds to a grant account in the Line of Credit Control System (LOCCS). This is the required repayment method when a reasonable amount of time remains to expend the funds before grant cancellation. See 24 CFR 570.200(k) and 24 CFR 570.480(h).

When a grantee returns funds to line of credit, they must be returned to the same origin year grant(s) from which funds were drawn.

Please note: Funds returned to a grant must be drawn before September 30 (or earlier in September pending direction by the CPD Office of Budget and Compliance) of the year in which the account for the grant's origin year cancels. Any unexpended funds in the line of credit will be recaptured, returned to Treasury, and lost to the grantee. For example, 2018 origin year grants will expire by September 30, 2025. If a grantee returned grant funds to its 2018 origin year, any unexpended 2018 grant funds in the line of credit will be recaptured, returned to the Treasury, and lost to the grantee after September 30, 2025.

A. Methods of Returning Funds to the Line of Credit

i. Returning Grant Funds to HUD via Check

A remittance to the line of credit may be made by sending a check for the amount to HUD's Miscellaneous Lockbox at the following address. Make checks/money orders/cashier's checks payable to: HUD-FAD Collections Ft. Worth

US Postal Service Address:
 US Bank
 HUD-FAD Collections Ft. Worth
 PO Box 6200-05
 Portland, OR 97228-6200

Physical Address for FedEx/UPS/Other Courier Services:
 US Bank Government Lockbox PD-OR-C1GL
 HUD-FAD Collections Fort Worth 6200-05
 17650 NE Sandy Blvd
 Portland, OR 97230

Be sure to identify the Grant Number and Account Number #86011101 in the memo field on the check. Normal time span for processing: 4 - 6 weeks before showing as a negative draw in IDIS.

ii. Returning Grant Funds via Wire Transfer

Any remittance to the line of credit may be sent via wire transfer. Wire transfer payments must be sent using the U.S. Department of Treasury's Financial Communications System (TFCS). For funds and deposit messages to be routed correctly and efficiently, all wire transfer messages must

conform to the applicable structured format described below in Figure 1. All wire transfers must be returned through the participant's local financial institution. If the local financial institution is not a member of the TFCS, it must have a correspondent bank relationship with a member bank that will transfer the funds by wire to the Treasury. Normal timespan for processing funds returned to the line of credit: 10-15 days before showing as a negative draw in IDIS.

Figure 1: Bank information - Wire transfer funds to LOC

Bank	Federal Reserve Bank of NY
Bank Address	33 Liberty St., New York, NY 10045
ABA Routing Number (Treasury Department Code)	021030004
Account Number (Agency Location Code)	86011101
Beneficiary Code	D
Account Holder	U.S. Department of HUD (Ft. Worth, TX)
Memorandum/Third Party Information	Grantee Name Grant Number that the funds should be applied Attn: HUD CPD/ CDBG/IDIS Memo: \$\$\$ (enter dollar amount being wired) and reference any comments/notes that will help in processing the funds.

iii. Use pay.gov

For electronic funds transfers (EFT) payments, grantees can use pay.gov link: [Pay.gov - HUD Accounting Operations Center Miscellaneous Payments](https://www.pay.gov/public/form/start/1507632356) (https://www.pay.gov/public/form/start/1507632356)

To use this link, the amount must be between \$25 and \$1,000,000. Please note that the grant number field must be 11 characters long with no dashes in the number. Normal timespan for processing funds returned to the line of credit: 10-15 days before showing as a negative draw in IDIS.

B. Actions That Must be Taken in IDIS When Funds are Returned to the Line of Credit

When grant funds returned to the line of credit are processed back into IDIS, IDIS does not automatically attribute returned funds to the activity being repaid. Rather, the amount returned shows as a negative draw under activity #2 for the origin year grant to which the funds were returned.

Use the following steps to revise the negative draw voucher(s) for the program from which the funds were originally drawn so that the returned funds may then be used for other eligible activities:

- 1) Select the *Funding/Drawdown* Tab.
- 2) Click the *Search Voucher* link on the left side under *Drawdown*.
- 3) The *Search Vouchers* page will appear.

- 4) Enter the number 2 in the *IDIS Activity ID* field for the returned funds.
- 5) Click the *Search* button.
- 6) The search results will appear. Find the voucher with the exact repayment as a negative amount.
- 7) Click the *Maintain-Approve* link under the *Action* column.
- 8) The *Maintain and Approve Voucher* page will appear.
- 9) Click the *Revise* link under the *Action* column.
- 10) The *Revise Voucher Line Item* page will appear.
- 11) Under the *Revise Funds to Another Activity* section, enter the *IDIS Activity ID* for the ineligible activity for which the funds were originally drawn and then click “*Show Drawdown*” under the *Action* column. Note: If the activity has been completed, the grantee will need to re-open the activity.
- 12) Enter the dollar amount to be associated with the activity, preceded by a negative sign.
- 13) Click the *Save* button.
- 14) *Voucher revised successfully* message will appear.
- 15) Once the Voucher(s) has been revised, it is necessary to revise the funding for the activity from which the funds were returned. The *funded amount* and *drawn amount* must be equal. In the case of full repayment, the *funded amount* and *drawn amount* would both be zero.
- 16) *Cancel the activity* if funds are paid in full.
- 17) Decreasing the funding for the ineligible activity simultaneously increases the *available for funding* amount for the given grant funding source being repaid. Those funds represent the returned funds which must be added to a new (or existing) eligible activity.
- 18) Repeat these steps for each return of funds to ensure the returned funds are available to be used for other eligible activities.

II. Returning Funds to The U.S. Treasury

Scenario 1: Interest is accrued/earned on funds that are not disbursed within established timeframes after a draw. See 24 CFR 570.500(a)(2)(i).

Scenario 2: Interest is earned on the cash balance of Entitlement CDBG revolving loan funds. See 24 CFR 570.500(b).

Scenario 3: Interest is earned by units of general local government on State CDBG grant funds during the time between receipt of funds from the state and disbursement by the unit of general local government. See 24 CFR 570.489(e)(2)(iv)(C).

Scenario 4: Interest is earned on loans or other CDBG-assisted activities that are subsequently determined to be ineligible. See 24 CFR 570.500(a)(2)(ii).

Note: Funds returned to the U.S. Treasury are not added to a grant account in LOCCS. The funds are not available for future obligations and expenditures.

Figure 2: Bank Information – Wire Transfer Funds to Treasury

Bank	Federal Reserve Bank of NY
Bank Address	33 Liberty St., New York, NY 10045
ABA Routing Number (Treasury Department Code)	021030004
Account Number (Agency Location Code)	86011101
Beneficiary Code	D
Account Holder	U.S. Department of HUD (Ft. Worth, TX)
Memorandum/Third Party Information	<p>Grantee Name Attn: HUD CPD/CDBG Account: 863200 Memo: \$\$\$ (enter dollar amount being wired) and state which type of interest is being returned:</p> <ol style="list-style-type: none"> 1. Return to Treasury interest earned on funds not used within 15 days of draw; 2. Return to Treasury interest earned on CDBG revolving loan fund; 3. Return to Treasury interest earned by unit of government on funds received from state before disbursement; or 4. Return to Treasury interest earned on ineligible activity.

III. Returning Grant Funds to a Grantee's Local Program Account

Funds are to be repaid for an activity drawn from a grant that is past the period of availability of funds. See 24 CFR 570.200(k) and 24 CFR 570.480(h).

When reporting the return of grant funds to a grantee's local program account, the processes for reporting in IDIS have recently changed. Grantees shall now use the Local Account (LA) fund in IDIS as described below. The prior method of revising vouchers from the ineligible activity to an eligible activity will no longer be used. Under the new method the vouchers against grant funds for the ineligible activity will not be revised.

While both repaid grant funds and program income funds reside in a grantee's local program account, the IDIS actions for reporting repayments of grant funds and program income differ greatly. See below section IV for more information on reporting repayments of program income in IDIS.

IDIS Actions When Returning Grant Funds to a Grantee's Local Program Account

1) Receipt the Repayment:

The repayment of grant funds to a grantee's local program account is reported in IDIS through the creation of a receipt to the LA fund. To create an LA receipt, the user will fill in the *Add Receipt* screen as shown below. Users will indicate that a repayment has been made to their local account by creating a receipt under the LA fund type. The grantee will associate the repayment with the activity ID and the specific origin year grant being repaid. The grantee will also report on the reuse or expenditure of the funds by origin year grant.

Figure 3: Add Receipt Screen for the LA Fund Type

Formula Receipt									
*Program:		CDBG		Receipt Type:		Select Type			
*Program Year of Receipt:		2015		Description:					
*Source Type:		DC STATE ADMINISTERED-SMALL CITY / HOME CONSORTIUM		Grantee Receipt #:					
*Fund Type:		LA GRANT SPECIFIC REPAYMENT TO LOCAL ACCOUNT		Total Amount:		\$			
IDIS Activity ID:		5201		Show Activity Funds					
Recipient	Source Name	Source Type	Grant Year	Fund Type	Drawn Amount	Previous Local Account Repayments	Remaining Balance	Local Account Repayment - Receipt Amount	Grantee Receipt #
ALABAMA	HUD	DC	2012	EN	\$112,908.08	\$0.00	\$112,908.08	\$ 56459.04	
ALABAMA	HUD	DC	2011	EN	\$115,091.92	\$0.00	\$115,091.92	\$ 57545.96	
Total:								\$114,005.00	

The user enters the required fields, including the ID of the activity being repaid, and clicks the [Show Activity Funds] button. The system displays a table with one row for each *Grant Year* and *Fund Type* from which funds were drawn for the activity.

For each *Grant Year* and *Fund Type*, the table shows the drawn amount, any previous LA repayments, and the remaining balance. The user enters the *Receipt Amount* and, optionally, the *Grantee Receipt #*.

When the receipt is saved, individual receipts, with distinct receipt numbers, are created for each source.

Figure 4: Search Receipts Screen

Program Year of Receipt	Fund Type	Receipt Number	Associated Grant #	IDIS Activity ID	Amount
2015	LA	5154625	B-11-DC-01-0001	5201	\$57,545.96
2015	LA	5154624	B-12-DC-01-0001	5201	\$56,459.04

2) Do NOT revise the vouchers; instead “Cancel the Activity with Draws”:

When an LA receipt is created to indicate that CDBG funds expended on an activity have been repaid to a local account, the grantee will treat the vouchers for that activity as follows: The grantee will leave vouchers for grant funds (EN, AD, SU, and TA) untouched and *request that the activity to be cancelled with draws after required repayments have been paid in full.* These vouchers cannot be cancelled and the grantee shall NOT revise them.

When requesting the activity to be cancelled with draws, the grantee must provide an explanation for why this activity can legitimately be cancelled with draws. The grantee should list all the LA receipts numbers and amounts for the LA funds that have been returned.

If an activity included both eligible and ineligible costs, and the LA funds only represent the ineligible portion of the costs, the grantee will not cancel the activity with draws. Instead, it should include the LA receipt number and the amount that has been repaid in the activity description field and adjust accomplishments accordingly. Then “Complete” the activity if appropriate. For example, consider an activity that consisted of rehabilitating six, single-family housing units, and two units failed to meet a national objective. The grantee returns funds to the local program account for the two noncompliant units. When creating a LA receipt for the returned funds, the grantee should enter the addresses of the failed units in the LA receipt note field. The grantee will also adjust the accomplishments to four units to reflect the actual accomplishments. In the activity description field, the grantee should enter the LA receipt number and the amount that has been repaid for the activity. Then Complete the activity.

Remember that only repayments of grant funds utilize the LA receipt. See section IV for repayments of program income funds.

3) Reuse the LA Funds:

By funding and drawing LA funds for new or existing activities, grantees will record in IDIS how CDBG grant funds repaid to their local account were expended and the accomplishments that were achieved with them. The LA funds were originally associated with a specific origin year grant. The reuse of those funds will be associated with that same origin year grant.

Note: A grantee must disburse LA funds prior to drawing additional CDBG grant funds to pay for activity-related costs. This may mean that an ongoing activity with a draw request may need to be funded with LA funds in the amount of the necessary draw. As a consequence, that activity’s grant funding may need to be reduced by the amount of LA funding added. If a grantee has both LA funds and program income on hand, use program income before LA funds.

IV. Returning Program Income Funds to a Grantee's Local Program Account

When an activity was funded with program income (PI), revolving funds (RL), or state revolving funds (SF), the repayments of program income, revolving funds, and state revolving funds must be deposited in a grantee's local program account.

IDIS Actions When Returning Program Income Funds to a Grantee's Local Account

Upon confirmation that the grantee has reimbursed its local program account, the grantee may cancel all of the original draws/vouchers that were made against PI/RL/SF for the activity and defund the activity for the same amount. Use the following steps to cancel the program income vouchers.

- 1) Select the *Funding/Drawdown* Tab.
- 2) Click the *Search Voucher* link on the left side under Drawdown.
- 3) The *Search Voucher* page will appear.
- 4) Enter the IDIS Activity Number in the *IDIS Activity ID* field for which the funds were originally drawn.
- 5) Click the *Search* button.
- 6) The search results will appear.
- 7) Click the *Maintain-Approve* link under the *Action* column.
- 8) Click the *Cancel* link under the *Action* column.
- 9) The *Confirm Voucher Line Item Cancellation* page will appear.
- 10) Click the check box "*Also reduce the activity funding by \$xxxx and return the fund to Community Development Block Grant Receipt Account.*"
- 11) Click the *Cancel This Line Item*. The *Maintain and Approve Voucher* page will appear.
- 12) *Voucher Cancelled Successfully* message will appear.

V. Returning Excess Program Income to HUD (Applies to CDBG Entitlement Communities, Hawaii Counties, and Insular Areas)

At the end of each program year, if a grantee has program income on hand in an amount that is more than one-twelfth of its most recent grant amount, it shall remit the excess program income to HUD.

A. Financial Transactions When Returning Program Income to HUD

- 1) To return excess program income to HUD in accordance with 24 CFR 570.504(b)(iii), a CDBG grantee must complete a wire transfer request using the following information:

Bank	U.S. Treasury FRB New York
Bank Address	New York, NY
ABA Routing Number (Treasury Dept. Code)	021030004
Agency location code/Account Number	86010300
Beneficiary Code	D
Account Holder	U.S. Dept. of HUD (Washington, DC)
Memorandum/Third Party Information	Grantee Name Attn: HUD CPD/CDBG Account code: 86X6760 Memo: \$\$\$ (enter dollar amount wired) and state "Returning Excess Program Income"

- 2) CPD Notification of returned funds: HUD's Office of the Chief Financial Officer (CFO) - Accounting Monitoring & Analysis Division (AMAD) will receive notification when a CDBG grantee has completed a wire transfer of excess program income to account 86X6760. The designated person handling this account for that Division will notify the Entitlement Communities Division in CPD of the return, identifying the name of the grantee that has returned the excess program income, as well as the amount of funds and the date returned. The Entitlement Communities Division will then e-mail this information to the appropriate Field Office CPD Director, requesting that the Director ensure that the grantee has the information below on the steps to follow to request a draw of the excess program income the grantee has returned.

B. Drawing Returned Excess Program Income

- 1) The grantee official authorized to approve CDBG drawdowns in IDIS will send an e-mail requesting a drawdown from account 86X6760 to a person designated by the Field Office CPD Director. A completed SF-1034, Public Voucher for Purchases and Services Other Than Personal, must be attached to the grantee's e-mail.

2) Upon receipt, the Field Office CPD designee will review the SF-1034 for completeness and send an e-mail to the grantee stating whether the request is approved or not approved. If the request is not approved, the request is to be returned to the grantee via e-mail, stating why it was not approved. (Generally, a request will only be disapproved if the form is incomplete, the amount requested exceeds the amount available, and/or the form is not signed by a grantee official authorized to approve CDBG drawdowns in IDIS.) Any questions about approval should be directed to the respective field office.

3) The Field Office CPD designee will forward the approved drawdown request by e-mail to the designated persons in CFO Accounting (see Note below) for processing. The designated person in the Entitlement Communities Division must be copied on the e-mail.

[Note: As of the date of this memorandum, the persons in HUD Headquarters designated to receive the e-mail (with attachment) requesting payment:

- Send to – Michele Moore, (Michele.Moore@hud.gov) CFO, AMAD, Monitoring and Analysis Branch
- Copy – Tomas E. Medina, (Tomas.E.Medina@hud.gov) CFO, AMAD, Monitoring and Analysis Branch
- Copy – Puping Huang, (Puping.X.Huang@hud.gov) CPD, Entitlement Communities Division

In the future, you will be notified via e-mail of any change to either of these designees.]

4) The AMAD, Program Support Branch will process the payment via wire transfer.

C. Reporting the Use of Excess Program Income in IDIS

Any excess program income returned in accordance with 24 CFR 570.504(b)(2)(iii) must be used by the grantee prior to making draws from the line of credit. The use of the excess program income is to be reported in IDIS in the same manner as regular program income; the only difference between the two is the location of the accounts in which the money is held.

- a. Excess program income returned in accordance with the process identified above should have been receipted in IDIS at the time it was actually received. No revision should be made to the original receipt in IDIS to reflect the amount returned as excess, nor should the excess program income be receipted a second time. Once a drawdown request for returned excess program income has been submitted to HUD, processed, and the funds received by the grantee, use of the program income is reported in IDIS by simply identifying program income as the source of funds when a draw voucher is created.
- b. If the excess program income was not receipted in IDIS before it was returned to HUD, it should be receipted in IDIS. However, in this situation, the date of receipt in IDIS will not reflect the date the program income was actually received by the grantee; therefore, when the PR26, Financial Summary Report, is done, it will generally be necessary to make adjustments in Part IV, Public Service (PS) cap calculation, and Part V, Planning and Administration (PA) cap calculation. After being receipted in IDIS, the use of program income will be reported when a draw is created in IDIS.

VI. Questions?

Grantees with questions concerning this memorandum should direct their inquiries to their local HUD Field Office Community Planning and Development division. HUD Field Offices should direct their questions to Puping Huang at Puping.X.Huang@hud.gov.