



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Community Planning and Development

Special Attention of:

All CPD Division Directors
State CDBG Program Managers

Notice CPD-16-10

Issued: May 5, 2016

This Notice is effective until amended, superseded, or rescinded.

Replaces: Notice CPD-11-03

Cross References: 24 CFR 91.10; 91.520; 570.3; 570.482(f)(3); 570.484; 489(a)(3); and Sections 104(e) and 105(a)(8) of the Housing and Community Development Act of 1974

SUBJECT: Reporting Requirements for the State Performance and Evaluation Report (State PER)

I. Purpose

This Notice provides guidance on the submission of the Performance and Evaluation Report (PER) for grantees of the State Community Development Block Grant (CDBG) program. This Notice replaces the requirements of the prior CPD Notice 11-03 and includes the following.

- Clarification of the relationship between the State PER and the CAPER,
- Changes to the submission procedures,
- Changes to the State PER following Integrated Disbursement and Information System (IDIS) enhancements including the eCon Module and the Local Account (LA) fund,
- Implementation of new regulatory requirements pursuant to the Interim Rule, FR 5797-I-01, *Changes to Accounting Requirements for the Community Development Block Grants (CDBG) Program*, commonly referred to as grant-based accounting, and
- Additional information about timing the generation of the reports in IDIS and reconciling the reports against other IDIS reports.

II. Regulatory References & Background

Section 104(e) of the Housing and Community Development Act (HCDA) of 1974 and the regulation at 24 CFR 91.520 require each State CDBG grantee to submit a performance and evaluation report concerning the use of CDBG funds. This required report is the Consolidated Annual Performance and Evaluation Report (CAPER). The State PER is a supplement to the CAPER report which specifically addresses a number of State CDBG requirements, such as the public benefit standards [24 CFR 570.482(f)(3)], the overall benefit to low- and moderate-income persons [24 CFR 570.484], the maximum allowance for state administrative costs, technical assistance, and overall planning, management and administration [24 CFR 570.489(a)], as well as the maximum allowance for public service activity costs established at Section 105(a)(8) of the HCDA.

III. Definitions

Program Year: Pursuant to 24 CFR 91.10, a program year is the single consolidated twelve month period established by the state for administering all of its formula grant programs (CDBG, Emergency Solutions Grants (ESG), HOME, Housing Opportunities for Persons With AIDS (HOPWA), and the Housing Trust Fund (HTF)).

Grant Year and Origin Year: *Origin year* is defined at 24 CFR 570.3 and means the specific federal fiscal year during which the annual grant funds were appropriated. The terms *grant year* and *origin year* are synonymous.

The *origin year* definition was added to the regulations to clarify the difference between a *grant year/origin year* and a *program year*. Unlike the *program year*, the *origin year* is simply a reference to when a particular grant was appropriated, serving as the identifying characteristic of the grant and part of the grant number. To further highlight the difference between a *program year* and *origin year*, consider this example: during *program year 2015*, a grantee may be recording expenditures against multiple grants from *origin years 2012, 2013, 2014 and 2015*.

IV. Content of the Performance Report

With regards to the prior State PER Notice, CPD Notice 11-03, there was a significant amount of confusion relating to compliance with the narrative portion of the performance reporting requirements. The narrative reporting requirements of 24 CFR Part 91 are characterized as the CAPER and, in the prior Notice, those same requirements were also characterized as Part II of the State PER. Due to confusion about the relationship between the State PER and the CAPER, this Notice clarifies that **the State PER is a supplement to the CAPER**.

The **State PER** is now limited to the mostly quantitative performance and financial reporting described in this Notice, specifically the *PR28 Activity Summary and Financial Summaries*.

The **CAPER** includes the mostly qualitative narrative reporting as required by 24 CFR Part 91, and is applicable to State CDBG grantees.

State CDBG grantees are required to submit the CAPER and supplemental State PER. Materials and resources issued by HUD in support of the CAPER are equally useful to states, such as the CAPER functionality of the IDIS eCon Module, training materials, checklists, etcetera. Section V of this Notice will address the use of the eCon Module by states for submitting the CAPER and attaching the PER.

The State PER includes a number of IDIS *PR28 Financial Summary* reports and one *PR28 Activity Summary* report, as follows:

- ✓ A single *PR28 Activity Summary* or equivalent report providing a detailed listing of accomplishments for all activities which were open at any time during the program year. Each activity listed on the *PR28 Activity Summary* is sorted by the origin year grant funding each activity. The grant year shown on the report is the same as the user-entry on the *Add-Edit Activity Funding* screen in IDIS. Activities funded from more than one grant will be listed once for each origin year grant. The report shows how funds from each open grant have been spent during the program year of the report. States will generate one *PR28 Activity Summary* for inclusion in the annual State PER submission.
- ✓ A *PR28 Financial Summary* or equivalent must be included for every open grant until that grant is closed out in accordance with the requirements of CPD Notice 14-02, *Closeout Instructions for Community Development Block Grant (CDBG) Programs Grants*. Data in IDIS may not support the generation of *PR28 Financial Summaries* for earlier open grants. States may continue to use the format and method described in CPD Notice 07-06(a) in preparing these legacy reports.

The *PR28 Financial Summary* is described in detail in **Section VI of this Notice**. A separate *PR28 Financial Summary* or equivalent report for each open grant shall demonstrate:

- The cumulative financial status of each grant, including sources, uses, and expenditures, over the life of the grant through the current program year,
- Compliance with national objective requirements, overall public benefit, regulatory spending limits on planning, administration, and public services, and other compliance characteristics of each grant.

Appendix 1 provides an example of the report with details for each line and notes on how to use the report for a compliance review. **Appendix 2** includes an image of the IDIS Report Parameter screen that is used by the state to make adjustments to the report output. **Appendix 3** includes an IDIS Matrix Code chart to explain the Matrix Codes referenced in Appendix 1.

V. Timeline, Comment, Submission, and Review

Before submitting the performance reports to HUD, pursuant to 24 CFR 91.115(d), the state must provide notice to citizens and make the full performance report, including the State PER and the CAPER, available for citizen comment for a period not less than 15 days. Pursuant to 24 CFR 91.115(f), performance reports must be available to the public, including availability in a form accessible to persons with disabilities, upon request. The citizen participation plan must require the state to consider any comments or views of citizens received in writing, or orally at public hearings in preparing the performance report. A summary of these comments or views shall be attached to the performance report.

The full performance report, including the State PER and the CAPER, must be made available to the HUD field office within 90 days after the close of the state's program year in accordance with 24 CFR 91.520(a). Although the state has 90 days, the state must allow time for at least 15 days for public comment and time to include a summary of these comments or views in the performance report. Electronic format is preferred (and, if this method is used, paper copies are not required).

This Notice provides a change to a procedure outlined in CPD Notice 11-03. That prior Notice placed the responsibility of generating the PR28 reports on the HUD field office representative. However, that prior Notice also implied that states would have to generate these reports for themselves in order to make adjustments and include justifications of those adjustments in their narrative reporting, as well as to provide these reports for public comment before submitting to HUD. In practice, this procedure led to the duplicative generation of the PR28s and the disjointed placement of any explanations to the adjustments made. Therefore, the procedure going forward will be as follows for the submission of the State PER:

At the end of each program year, states will:

1. Generate the PR28s or equivalent reports for the State PER.
2. Review the reports and, if necessary:
 - a. Include any adjustments to the *PR28 Financial Summary* on the report parameters screen in IDIS (see **Appendices 1 & 2** and **Section VIII** of this Notice),
 - b. Re-generate the adjusted reports, and
 - c. For each adjusted *PR28 Financial Summary*, attach to the individual report additional page(s) with explanation(s) of the adjustments made.
3. Make the full Performance Report (CAPER+PER) available for public comment pursuant to §91.115(d), (e) & (f). Attach a summary of the comments or views received to the Performance Report pursuant to §91.115(d).

4. Submit the State PER with any attached explanations, as an electronic file to the HUD Field Office via physical electronic media, electronic mail, file transfer, or as an attachment on the *CR-00 Administration* screen of the CAPER in the IDIS eCon Module*. A paper copy is not required.

*As prescribed by CPD Notice 12-09, grantees submitting Consolidated Plans on or after November 15, 2012, are required to use the eCon Module in IDIS to submit these Plans and all subsequent Annual Action Plans. Grantees that were not required to submit a new Consolidated Plan were permitted, but not required, to use the eCon Module to prepare and submit Annual Action Plans in the system beginning May 7, 2012. Subsequently, CAPERs may only be submitted using the eCon Module in connection with an approved Annual Action Plan.

Once submitted to HUD, the Field Office will review the performance report and determine whether it is satisfactory. Pursuant to 24 CFR 91.520(i), if a satisfactory report is not submitted in a timely manner, HUD may suspend funding until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

Pursuant to 24 CFR 91.525, HUD will review the performance of each jurisdiction to assess the following:

- Management of funds made available under programs administered by HUD;
- Compliance with the consolidated plan;
- Extent to which the jurisdiction made progress towards the goals identified in 24 CFR 91.1;
- Efforts to ensure that housing assisted under programs administered by HUD is in compliance with contractual agreements and the requirements of law; and,
- Accuracy of performance reports.

The review of the PER is within the scope of the larger performance review required by 24 CFR 91.525. The Field Office representative should use the checklist (**Appendix 4**) to assist in the review of the PER as a supplement to other CAPER review checklists. The review of the PER should be completed within 60 days of receipt by HUD. A copy of the completed checklist should be maintained. Additionally, state staff may proactively use this checklist to review their own PER prior to submission to HUD.

The field office's written report on the performance review required by 24 CFR 91.525(b) will address the adequacy and accuracy of the performance report. That written report must address both the CAPER and the PER. The field office will provide states with a specific time period, at least 30 days, to review and comment. HUD may revise the report after considering the state's

views, and shall make the report, the state's comments, and any revisions available to the public within 30 days after receipt of the state's comments.

Files such as the CAPER, the State PER, comments, checklists, and other related documents must be maintained and may be requested for monitoring, reviews by the Office of Inspector General (OIG) and the Government Accountability Office (GAO), or to respond to other inquiries. Pursuant to 24 CFR 91.115(g), the citizen participation plan must require the state to provide its residents, public agencies, and other interested parties with reasonable and timely access to information and records such as the Performance Report during the preceding 5 years

VI. The Data Captured in the *PR28 Financial Summary*.

A *PR28 Financial Summary* or equivalent report must be included in the PER for every open grant until that grant is closed out in accordance with the requirements of CPD Notice 14-02, *Closeout Instructions for Community Development Block Grant (CDBG) Programs Grants*. Within 90 days of the Closeout Certification, the State CDBG grantee must submit a final performance report, unless that final report for the grant being closed was already submitted as part of the annual PER submission.

When generating the *PR28 Financial Summary* in IDIS, states have the ability to enter various **adjustment parameters** to data summarized from within IDIS. These adjustments are specific to each individual *PR28 Financial Summary* and are displayed in the report output. For any *PR28 Financial Summary* where adjustments were made, an explanation must be attached to the report. **Appendix 1** shows every line of the report and how the adjustment lines affect data. **Appendix 2** shows the IDIS Report Parameter screen where adjustments for one or more given grant reports may be entered and stored.

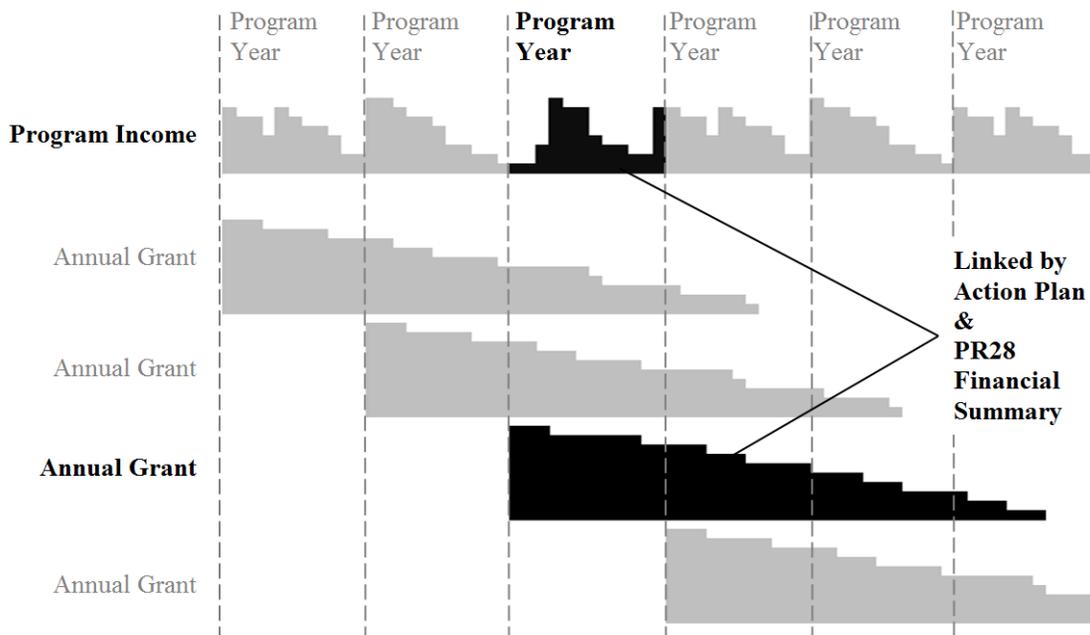
The *PR28 Financial Summary* captures the following information:

- *Part I. Section A. Sources of State CDBG Funds* captures **sources received** during that initial program year, including the annual grant and the amount of program income received during the initial program year. The program income receipts captured include those made to the general program income fund (PI), any local revolving loan fund (RL), and any state revolving fund (SF). **Figure 1** below further explains the relationship between the different timeframes captured for the grant and program income.
- *Part I. Section B. State CDBG Resources by Use* captures **activity funding** in IDIS. IDIS activity funding is the user-defined budget for an activity. The report captures any funding from the annual grant that occurred at any point in the life of the grant, as well as any funding from the Local Account (LA) repayment fund associated with that same grant (see **Section VII** of this Notice). The report also captures any funding from program income sources (PI, RL, SF) that occurred during the initial program year.

- *Part I. Section C. Expenditures of State Resources* captures IDIS **vouchers** made against the annual grant at any point in the life of the grant, as well as any vouchers against the LA fund associated with that same grant. The report also captures any program income vouchers (PI, RL, SF) that occurred during the initial program year.
- *Part I. Section D. Compliance with the Public Service Cap* captures vouchers similar to Section C and compares those expenditures to the sources listed in Section A.
- *Part I. Section E. Compliance with the Planning and Administration Cap* captures vouchers similar to Section C and compares those expenditures to the sources listed in Section A.
- *Part II. Compliance with the Overall Low and Moderate Income Benefit* captures vouchers similar to Section C. Additionally, it compiles this information from up to 2 other *PR28 Financial Summaries* because the user may define a compliance period of up to 3 years on the corresponding *Report Parameters* screen.

Unlike grant funds, for which the *PR28 Financial Summary* provides cumulative expenditure information from the grant, **program income** is reflected on the report for only those transactions [i.e., receipts and vouchers] that are reported during the program year that corresponds to the origin year of the grant. **Figure 1**, below, demonstrates the relationship between the timeframes captured for the grant and program income. The grant funds are represented on the *PR28 Financial Summary* as a single deposit in the origin year of the grant with subsequent expenditures that continue for multiple program years until the grant is fully expended. Meanwhile, program income is represented in the form of program-year-snapshots of a fluctuating balance due to both ongoing deposits and ongoing expenditures. This becomes important when the administrative and public service expenditure caps are considered. Only the program income transactions associated with the program year corresponding to the origin year of the grant reported will appear on the *PR28 Financial Summary*. In the case of the caps, the receipt of program income will be considered when setting the cap for the program year during which it is received; the expenditure of program income will be subject to compliance with the cap for the program year during which it is expended. This approach creates a situation where a discrete dollar of program income that is received in one year and expended in the next, despite contributing to setting the cap in the first year, will be expended in the next year and subject to a potentially higher or lower cap during that second program year.

Figure 1: Relationship between Timeframes Captured for a Grant and Program Income



VII. Reimbursed Funds and the PR28 Financial Summary

Any reimbursed funds are captured by the *PR28 Financial Summary* in two different manners. The most common manner is when reimbursements are made to the line of credit. The other is when reimbursements are made to a local program account, for which IDIS has new functionality, called the Local Account (LA) fund.

With a **reimbursement to the line of credit**, the funds appear as part of an annual grant. The repayment will be applied to the grant which appeared on the vouchers for the ineligible activity, i.e., the grant from which the disallowed cost was originally paid from the Line of Credit Control System (LOCCS). For FY2014 and prior grants, the activity being repaid may have vouchers against one origin year grant, despite a different *grant year* reported manually by the state on the *Add-Edit Activity Funding* screen in IDIS. This inconsistency was due to first-in, first-out accounting.

For repayments to FY2014 and prior grants, the process for recording this repayment in IDIS and in the proper State PER is as follows: Once processed by HUD, the repayment appears in IDIS as a negative voucher on Activity #2, *CDBG Committed Funds Adjustment*. The IDIS user must then revise the negative voucher to the ineligible activity, which will reduce the drawn amount for that ineligible activity. The user must also reduce the funded amount for that ineligible activity to equal the draw amount before canceling the activity. The amount available for funding

under the pre-2015 funding source will increase. The funds may be added to an eligible activity for which the user would enter the same *grant year* on the *Add-Edit Activity Funding* screen as was reported on the ineligible activity's funding screen. This ensures that the re-use of that reimbursement will appear on the same *PR28 Financial Summary* for the grant from which the disallowed cost was originally paid.

This process is made easier with the transition to grant-based accounting. The steps remain the same. The negative voucher is revised to the ineligible activity, and the returned funding is added to an eligible activity. However, the grant year is fixed for 2015 and subsequent grants. Therefore, these reimbursements will automatically be applied to the appropriate funding source in IDIS for the purpose of funding new activities, which will then appear on the appropriate *PR28 Financial Summary*.

With a **reimbursement to a local program account**, funds are not returned to LOCCS; the funds are deposited in a grantee's bank account for the program. In the past, grantees would typically use the *revise voucher* functionality in IDIS to represent such a reimbursement by revising vouchers from an ineligible activity to an eligible activity. However, the *revise voucher* functionality was significantly limited as a consequence of the transition to grant-based accounting. Therefore, going forward, that functionality should only be utilized to correct user-errors when submitting vouchers. To support and better capture information on reimbursements to local program accounts, the LA fund was added to IDIS. Similar to a line of credit reimbursement, the LA fund is associated with the grant as indicated on the voucher sent to LOCCS for the ineligible cost. The LA fund reimbursements can reflect reimbursements to any grant year (both prior to and subsequent to 2015).

To report the repayment of an ineligible cost to a local account, the user will create a LA fund receipt. That receipt is associated with an activity and offsets the amount of grant draws from LOCCS for that activity. However, an LA fund receipt is not used to report program income repayments. Any **program income vouchers** for ineligible costs may simply be canceled, which returns those funds to the amount available for funding. This action represents that those program income funds have been returned to the appropriate program fund locally. However, the **grant vouchers** for the ineligible activity shall not be revised in any way. An ineligible activity with an LA repayment shall then be **cancelled with draws**. Additionally, the "cancelled with draws" IDIS screens are currently being updated to demonstrate the grant repayments to the local account associated with the activity being cancelled.

The *IDIS Manual for States* was recently updated to include more specific details on how to use the new LA fund. The *Manual* has detailed procedures and screen shots of IDIS for the LA fund. Additionally, this Notice provides a discussion of how the LA fund interacts with the *PR28 Financial Summary*.

In relationship to the *PR28 Financial Summary*, funding and vouchers made against an LA fund are connected to the grant as it appeared on the original voucher sent to LOCCS for the ineligible activity. Consequently, the LA fund is reflected on the corresponding *PR28 Financial Summary* according to the year indicated on those original vouchers and not the year indicated by the user as the grant year on the *Add-Edit Activity Funding* screen for that ineligible activity. Again, for FY'2014 and prior grants, the grant on the voucher and the grant year on the ineligible activity's *Add-Edit Activity Funding* screen may not be the same due to first-in, first-out accounting. Therefore, the grantee may need to use the adjustment lines to revise the sources, uses, and expenditures sections of the *PR28 Financial Summaries* in order to associate the LA fund re-use with the appropriate *grant year*. For repayments to 2015 and subsequent grants, this revision will not be necessary.

An additional correction was made to the *PR28 Financial Summary* in order to **not count certain draws**. Previously, if an activity was *cancelled with draws*, those expenditures would continue to be reflected on the *PR28 Financial Summary* and, therefore, they would continue to count towards the overall public benefit test, and would be duplicative if a repayment was made to the LA fund. Consequently, the report has been revised to not include the amount of draws against activities that have been *cancelled with draws*.

VIII. Timing of the PR28 Financial Summary

The state needs to carefully time the generation the *PR28 Financial Summaries*. For most grantees, year-end financial reporting is not immediately available and it takes additional time to collect financial data for the program year. Again, HUD allows 90 days, which includes a minimum public comment period of 15 days.

Timing of the Report and Program Income: IDIS allows program income receipts and vouchers to be associated with the prior program year for the first 90 days of the subsequent program year. For example, a state's 2014 program year ended on June 30th. A local government provides its year-end report to the state by July 31st, which details the PY'2014 program income deposits and expenditures. When the state enters that information in IDIS, the state would enter the prior program year when creating the corresponding program income receipts and vouchers. Those transactions will then appear on the 2014 *PR28 Financial Summary* despite being entered into IDIS during the beginning of the 2015 program year.

Timing of the Report and Grant Funds: The *PR28 Financial Summary* captures the cumulative obligation and expenditure of a given annual grant through the date of report generation. However, the intent of this report is to demonstrate cumulative obligations and expenditures through the end of the program year. If the report is generated after the end of the

program year, it will capture grant funding and draws that were entered in IDIS between the end of the program year and time of the report generation. This causes no effect on regulatory compliance since expenditure caps and public benefit are also measured cumulatively against the grant. Therefore, until IDIS can be enhanced to allow the report to be generated through the end of a given program year, State CDBG grantees are not required to adjust the PR28 Financial Summary to remove obligations and expenditures of grant funds associated with the subsequent program year. However, grantees are encouraged to run this report as soon after the end of the program year as possible.

Timing of the Report and Adjustments: The *PR28 Financial Summary* may be adjusted using the parameters screen in IDIS, as previously discussed. Ideally, the grantee would generate the report, determine the necessary adjustments to be entered, and re-generate a final report to include in the State PER submission. However, if users are entering subsequent receipts and vouchers into IDIS, between the time of the initial generation and the final re-generation of the *PR28 Financial Summary*, then those adjustments may become a moving target. It is recommended that the grantee either take into consideration those subsequent IDIS entries while making any necessary adjustments, or momentarily cease other IDIS entries while the adjustments are being made.

IX. Reconciling the *PR28 Financial Summary*

The *PR28 Financial Summary* includes categorical sources, uses and expenditure data. The data for individual activities are not listed. When there is an apparent error in the report, it is often difficult for the state to ascertain which activity or activities in IDIS contain the incorrect information that is being captured by the report.

Reconciling the grant data. The *PR28 Financial Summary* will be much easier to reconcile against other IDIS reports for the 2015 and subsequent grants. However, for 2014 and prior grants, the grant year indicated on the *Add-Edit Activity Funding Screen* is used to send the appropriate grant data to the report. Only two other reports contain this field, the *PR28 Activity Summary* and the *PR57 State Grant Commitments* report. Unfortunately, both have limitations. The *PR28 Activity Summary* cannot be easily filtered on the grant year field and, it only shows activities that were open at some time during the program year, while the *PR57 State Grant Commitments* does capture all activities funded with that grant, but does not provide expenditure data. All other reports indicate the “grant year” as associated with the voucher; for 2015 and subsequent grants, the grant indicated on the voucher and the grant indicated on the *Add-Edit Activity Funding Screen* will be the same, thus making reconciliation much easier.

Reconciling the program income data. The *PR28 Financial Summary* captures vouchers and receipts against program income sources according to the program year in which they occurred. The *PR07 Drawdown Report for All Vouchers* and the *PR09 Receipt Report* can both be filtered for program income funds and program years. Note that the *PR07* lists dates rather than program years, and there is an additional field to indicate if the draw was associated with a prior program year.

The combination of these grant data and program income data from other reports can help states to determine the specific activity that may be attributing to an error in the *PR28 Financial Summary*.

X. More Resources:

As previously mentioned, the appendices of this Notice provide valuable information. **Appendix 1** provides an example of the report with details for each line and notes on how to use the report for a compliance review. **Appendix 2** includes an image of the IDIS Report Parameter screen that is used by the state to make adjustments to the report output. **Appendix 3** includes an IDIS Matrix Code list. Finally, **Appendix 4** provides a checklist for review of the State PER to be used in conjunction with other CAPER checklists.

The *IDIS Manual for States* is available at www.hudexchange.info/programs/idis/, by following the link entitled *View IDIS Guides, Tools and Webinars*. The *Manual* contains important information about all the IDIS reporting transactions discussed in this Notice, particularly those dealing with the new LA fund.

The Interim Rule, FR 5797-I-01, *Changes to Accounting Requirements for the Community Development Block Grants (CDBG) Program*, is available at <https://www.hudexchange.info/resource/4911/changes-to-accounting-requirements-for-the-cdbg-program/>

The CDBG Regulations are available at www.ecfr.gov, by browsing to Title 24, Parts 91 and 570.

If you have any other questions regarding this Notice, please contact Pamela Glekas, Director, State and Small Cities Division in the Office of Block Grant Assistance at (202) 708-1322.

Appendix 1: Example PR28 Financial Summary *With Line Descriptions and Review Notes*

IDIS - PR28

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
[GRANTEE NAME]
Performance and Evaluation Report
For Grant Year [YYYY]
As of [Report Generation Date]

Grant Number: B-[YY]-DC-[State FIPS Code]-[Grant Identifier]

Part I: Financial Status

A. Sources of State CDBG Funds

- 1) *State Allocation*: From the LOCCS authorized grant amount, including any reallocations (plus or minus) during the life of the grant;
- 2) *Program Income*
- 3) *Program income received in IDIS*: Derived from the total amount of receipts recorded to the SF, RL and PI funds for the program year*.
*Note: “for the program year” takes into account the IDIS functionality that allows receipts and vouchers of program income to be associated with the prior program year during the first 90 days of the current program year. This is a standard feature throughout the parameters of this report.
- 3a) *Program income received from Section 108 Projects (for SI type)*: Derived from SI receipts created for the program year;
- 4) **Adjustment to compute total program income**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 5) *Total Program Income (sum of lines 3 and 4)*: In-report calculation;
- 6) *Section 108 Loan Funds*: **Required Manual Entry** on Report Parameter Screen, when Section 108 Loans are received.
- 7) *Total State CDBG Resources (sum of lines 1, 5, and 6)*: In-report calculation;

B. State CDBG Resource by Use

8) *State Allocation*

- 9) *Obligated to recipients*: Derived from total cumulative activity funding from the grant and the LA fund associated with that grant; Excluding grant funding for activities canceled with draws; Excluding funding from RL, PI or SF;
- 10) *Adjustment to compute total obligated to recipients*: Manual Entry on Report Parameter Screen – Must **Attach Explanation** – state may choose to enter amounts not in IDIS as grant funding but “obligated and announced” pursuant to timely distribution, 24 CFR 570.494 – Grant Funds Only;
- 11) *Total obligated to recipients (sum of lines 9 and 10)*: In-report calculation - **Review** that this does not exceed Line 1, and consider the compliance relationship to **24 CFR 570.494**. Line 9 is derived from activities’ grant funding in IDIS, which is not the standard for §570.494. Therefore, Line 10 allows the state to adjust for amounts “obligated and announced” but not yet funded in IDIS. Additionally, the 15-month deadline for §570.494 will typically not align with the end of the program year for this report, meaning that, in limited circumstances, amounts that were “obligated and announced” and reported on the HUD 40108 may have been subsequently de-obligated by the state, which would cause this amount to be less than the award amount. As appropriate, the state should discuss these factors in the explanation provided for Line 10;
- 12) *Set aside for State Administration*: Derived from activity funding for matrix code 21J, in two ways: First, cumulatively from the grant and any associated LA fund; Second, from program income funds obligated to 21J activities during the program year. If this amount is unexpectedly low, review that state admin activities are properly coded as 21J, and not 21A;
- 13) *Adjustment to compute total set aside for State Administration*: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 14) *Total set aside for State Administration (sum of lines 12 and 13)*: In-report calculation. **Review for consistency** that the amount in Line 14 does not exceed the amount in Line 31;
- 15) *Set aside for Technical Assistance*: Derived from amount of a TA subfund if one exists (total TA subfund amount); Otherwise, the total funding for activities where matrix code is 19H;
- 16) *Adjustment to compute total set aside for Technical Assistance*: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 17) *Total set aside for Technical Assistance (sum of lines 15 and 16)*: In-report calculation. **Review for consistency** that the amount in Line 17 does not exceed the amount in Line 34;

- 18) *State funds set aside for State Administration match:* **Required Entry** on Report Parameter Screen; This is the only place in IDIS to enter the amount of the administration cost match required by **24 CFR 570.489(a)(1)**. **Review for compliance:** Line 18 must be \geq (Line 31 minus 100,000.00);
- 19) *Program Income*
- 20) *Returned to the state and redistributed:* Derived from total funding made during the program year for activities from just the state revolving fund, SF fund. Line 21 provides an option to add PI that has been returned to the state and redistributed. RL funds would not be included here because they are always retained locally;
- 20a) *Section 108 program income expended for the Section 108 repayment:* SI disbursed for the activities with matrix 19F, 19G, 24A or 24C;
- 21) **Adjustment to compute total redistributed:** Manual Entry on Report Parameter Screen – Must **Attach Explanation;** Add the amount of PI returned to the state. **Review for consistency** that Line 21 = Line 27 x -1;
- 22) *Total redistributed (sum of lines 20 and 21):* In-report calculation; **Review for consistency** that Line 22 + Line 25 + Line 28 = Line 5;
- 23) *Returned to the state and not yet redistributed:* Derived from the sum of SF receipts for the program year minus Line 20. Line 24 provides an option to add PI that has been returned to the state and not redistributed. RL funds would not be included here because they are always retained locally;
- 23a) *Section 108 program income not yet disbursed:* SI balance;
- 24) **Adjustment to compute total not yet redistributed:** Manual Entry on Report Parameter Screen – Must **Attach Explanation;**
- 25) *Total not yet redistributed (sum of lines 23 and 24):* In-report calculation; **Review for consistency** that Line 22 + Line 25 + Line 28 = Line 5;
- 26) *Retained by recipients:* Derived from the total amount of PI and RL receipts for the program year. Line 27 provides an option to deduct PI that was returned to the state, i.e., the opposite of Line 21;
- 27) **Adjustment to compute total retained:** Manual Entry on Report Parameter Screen – Must **Attach Explanation;** Subtract the amount of PI returned to the state. **Review for consistency** that Line 21 = Line 27 x -1;

- 28) *Total Retained (sum of lines 26 and 27)*: In-report calculation; **Review for consistency** that Line 22 + Line 25 + Line 28 = Line 5;

C. Expenditures of State CDBG Resources

- 29) *Drawn for State Administration*: Derived from the total amount drawn from any CDBG funds during the program year for activities with matrix code 21J. If this amount is unexpectedly low, review that state admin activities are properly coded as 21J, and not 21A;
- 30) **Adjustment to the amount drawn for State Administration**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 31) *Total drawn for State Administration (sum of lines 29 and 30)*: In-report calculation; **Review for consistency** that Line 31 does not exceed Line 14;
- 32) *Drawn for Technical Assistance*: Derived from the total amount drawn from any CDBG funds during the program year for activities with matrix code 19H;
- 33) **Adjustment to amount drawn for Technical Assistance**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 34) *Total drawn for Technical Assistance (sum of lines 32 and 33)*: In-report calculation; **Review for consistency** that Line 34 does not exceed Line 17;

Review for compliance with 24 CFR 570.489(a)(1)(i), that state administration expenditures for the program year do not exceed 3 percent plus 100,000; and that amounts in excess of 100,000 are matched.

$$\text{State Administration Cap*} : (\text{Line 31}) \leq ((\text{Line 1} + \text{Line 5}) * 0.03) + 100,000$$
$$\text{Match Requirement} : \text{Line 18} \geq (\text{Line 31} - 100,000.00)$$

Review for compliance with 24 CFR 570.489(a)(1)(ii)

$$\text{State Technical Assistance Cap} : (\text{Line 34}) \leq ((\text{Line 1} + \text{Line 5}) * 0.03)$$

Review for compliance with 24 CFR 570.489(a)(1)(iii)

Combined State Admin* and TA Cap:

$$((\text{Line 31} - 100,000.00) + \text{Line 34}) \leq ((\text{Line 1} + \text{Line 5}) * 0.03)$$

*For 2014 and prior grants, pursuant to §570.489(a)(1)(v), states had the option of demonstrating compliance with these requirements in two ways, either cumulatively or year-by-year. Pursuant to the regulatory changes made by the Interim Rule, FR 5797-I-01, *Changes to Accounting Requirements for the Community Development Block Grants (CDBG) Program*, for 2015 and subsequent grants, compliance with §570.489(a)(1) may only be demonstrated on a year-by-year basis.

- 35) *Drawn for Section 108 Repayments*: Derived from net drawn for activities where matrix code is 19F, 19G, 24A or 24C;
- 36) **Adjustment to amount drawn for Section 108 Repayments**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 37) *Total drawn for Section 108 Repayments (sum of line 35 + 36)*: In-report calculation;
- 38) *Drawn for all other activities*: Derived from net drawn for activities where matrix code Not 19F, 19G, 19H, 24A, 24C nor 21J;
- 39) **Adjustment to amount drawn for all other activities**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 40) *Total drawn for all other activities (sum of line 38 + line 39)*: In-report calculation;

D. Compliance with Public Service (PS) Cap [HCDA § 105(a)(8)]

- 41) *Disbursed in IDIS for PS*: Derived from the net drawn during the program year from all CDBG funds for activities where matrix code is 05* or 03T;
- 42) **Adjustment to compute total disbursed for PS**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 43) *Total disbursed for PS (sum of lines 41 and 42)*: In-report calculation;
- 44) *Amount Subject to PS cap*
- 45) *State Allocation (line 1)*: Derived from Line 1;
- 46) *Program Income Received (line 5)*: Derived from Line 5;
- 47) **Adjustment to compute total subject to PS cap**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**; Any adjustment here should equal the Line 4 adjustment;
- 48) *Total subject to PS cap (sum of lines 45, 46, & 47)*: In-report calculation;
- 49) *Percent of funds disbursed to date for PS (line 43 / line 48)*: In-report calculation; **Review for compliance** that does not exceed 15% pursuant to **HCDA § 105(a)(8)**;

E. Compliance with Planning and Administration (P/A) Cap [24 CFR 570.489(a)(3)]

Note that Interim Rule, FR 5797-I-01, *Changes to Accounting Requirements for the Community Development Block Grants (CDBG) Program*, changed regulations at §570.489(a)(3) by dividing the compliance tests into two parts: the *Combined Cap* and the new *Annual Grant Cap*. Both caps apply to grants from 2015 and subsequent years;

- 50) *Disbursed in IDIS for P/A - Combined*: Derived from the net drawn from any CDBG funds during the program year for activities where matrix code = 19A, 19B, 20, 20A, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, or 21J;
- 51) **Adjustment to compute total disbursed for P/A**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**;
- 52) *Total disbursed for P/A (sum of lines 50 and 51)*: In-report calculation;
- 53) *Amount subject to Combined P/A cap*
- 54) *State Allocation (line 1)*: Derived from Line 1;
- 55) *Program Income Received (line 5)*: Derived from Line 5;
- 56) **Adjustment to compute total subject to P/A cap**: Manual Entry on Report Parameter Screen – Must **Attach Explanation**; Any adjustment here should equal the Line 4 adjustment;
- 57) *Total subject to P/A cap (sum of lines 54, 55, & 56)*: In-report calculation;
- 58) *Percent of funds disbursed to date for P/A (line 52 / line 57) Combined Cap*: In-report calculation. **Review for compliance** that does not exceed 20% pursuant to **24 CFR 570.489(a)(3)(ii)**;
- 59) *Disbursed in IDIS for P/A from Annual Grant Only*: Derived from cumulative amount drawn from the annual grant for activities where matrix code = 19A, 19B, 20, 20A, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, or 21J;
- 60) *Amount subject to the Annual Grant P/A cap*
- 61) *State Allocation*: Derived from Line 1;
- 62) *Percent of funds disbursed to date for P/A (line 59/line 61) Annual Grant Cap*: In-report calculation; **Review for compliance** with **§570.489(a)(3)(iii)**;

Part II: Compliance with Overall Low and Moderate Income Benefit

- 63) *Period specified for benefit: grant years [YYYY] to [YYYY]:* **Required Entry** on the Report Parameters screen. Pursuant to **§570.484(a)**, the state must certify that, in the aggregate, not less than 70 percent of the CDBG funds received by the state during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low and moderate income. The period selected and certified to by the state shall be designated by fiscal year of annual grants, and shall be for one, two or three consecutive annual grants. The period shall be in effect until all included funds are expended. No CDBG funds may be included in more than one period selected, and all CDBG funds received must be included in a selected period. Lastly, if a single year is selected, such as 2015, the entry shall simply be repeated as *2015-2015*;
- 64) *Final PER for compliance with the overall benefit test: [Yes/No]:* Parameter screen entry required. An answer of *Yes* is valid only if all funds in each grant identified on line 63 have been expended. Indicating that this is the Final PER for a grant is also related to the provisions for grant closeout pursuant to CPD Notice 14-02;

The remaining parameters appear in columns for each grant year(s) specified in line 63:

- 65) *Benefit LMI persons and households:* Derived from the sum of draws for activities where national objective = LMA*, LMC*, LMJ*, LMH* minus Line 75 (noncountable) amount;
- 66) *Benefit LMI, 108 activities:* **Manual Entry** on Report Parameter Screen – Must **Attach Explanation**;
- 67) *Benefit LMI, other adjustments:* **Manual Entry** on Report Parameter Screen – Must **Attach Explanation**;
- 68) *Total, Benefit LMI (sum of lines 65-67):* In-report calculation = Total LMI expenditures;
- 69) *Prevent/Eliminate Slum/Blight:* Derived from net drawn for activities where national objective = SB(A,S,R);
- 70) *Prevent Slum/Blight, 108 activities:* **Manual Entry** on Report Parameter Screen – Must **Attach Explanation**;
- 71) *Total, Prevent Slum/Blight (sum of lines 69 and 70):* In-report calculation = Total Slum/Blight expenditures;
- 72) *Meet Urgent Community Development Needs:* Derived from net drawn for activities where national objective = URG;

- 73) *Meet Urgent Needs, 108 activities:* **Manual Entry** on Report Parameter Screen – Must **Attach Explanation**;
- 74) *Total, Meet Urgent Needs (sum of lines 72 and 73):* In-report calculation = total Urgent Need expenditures;
- 75) *Acquisition, New Construction, Rehab/Special Areas noncountable:* Amount of LMH expenditures not countable as LMI benefit. Includes consideration of CDFIs and CRSAs. Ref: 24 CFR 570.484(b)(4), 570.483(b)(3), 570.483(e)(4)&(5);
- 76) *Total disbursements subject to overall low and moderate income benefit (sum of lines 68, 71, 74, and 75):* In-report calculation = Total expenditures for LMI compliance;
- 77) *Low and moderate income benefit (line 68 / line 76):* In-report calculation; Line 68 (total LMI) divided by Line 76 (LMI compliance expenditures); **Review for compliance:** Must be greater than or equal to 70% in period specified for benefit on line 63;
- 79) Other Disbursements
- 80) *State Administration:* Derived from net drawn for 21J activities;
- 81) *Technical Assistance:* Derived from net drawn for 19H activities;
- 82) *Local Administration:* Derived from net drawn for activities where matrix code = 19A, 19B, 20, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, or 21I;
- 83) *Section 108 Repayments:* Derived from net drawn for activities where matrix code = 19F, 19G, 24A or 24C.

Appendix 2: IDIS Report Parameter Adjustment Screen

Report

Edit Parameters

CDBG State PER Report

Save | Return

Grantee Name: <input style="width: 90%;" type="text"/>	Report Parameters for Grant Year: 2014
<input type="button" value="Add Another Year"/>	

Line Number/Parameter	Value (tip)						
04. Adjustment to compute total program income	<input style="width: 80%;" type="text" value="0.00"/>						
06. Section 108 Loan Funds	<input style="width: 80%;" type="text" value="0.00"/>						
10. Adjustment to compute total obligated to recipients	<input style="width: 80%;" type="text" value="0.00"/>						
13. Adjustment to compute total set aside for State Administration	<input style="width: 80%;" type="text" value="0.00"/>						
16. Adjustment to compute total set aside for Technical Assistance	<input style="width: 80%;" type="text" value="0.00"/>						
18. State funds set aside for State Administration match	<input style="width: 80%;" type="text" value="0.00"/>						
21. Adjustment to compute total redistributed	<input style="width: 80%;" type="text" value="0.00"/>						
24. Adjustment to compute total not yet redistributed	<input style="width: 80%;" type="text" value="0.00"/>						
27. Adjustment to compute total retained	<input style="width: 80%;" type="text" value="0.00"/>						
30. Adjustment to amount drawn for State Administration	<input style="width: 80%;" type="text" value="0.00"/>						
33. Adjustment to amount drawn for Technical Assistance	<input style="width: 80%;" type="text" value="0.00"/>						
36. Adjustment to amount drawn for Section 108 Repayments	<input style="width: 80%;" type="text" value="0.00"/>						
39. Adjustment to amount drawn for all other activities	<input style="width: 80%;" type="text" value="0.00"/>						
42. Adjustment to compute total disbursed for PS	<input style="width: 80%;" type="text" value="0.00"/>						
47. Adjustment to compute total subject to PS cap	<input style="width: 80%;" type="text" value="0.00"/>						
51. Adjustment to compute total disbursed for P/A	<input style="width: 80%;" type="text" value="0.00"/>						
56. Adjustment to compute total subject to P/A Cap	<input style="width: 80%;" type="text" value="0.00"/>						
63. Period specified for benefit: grant years	<input style="width: 40%;" type="text"/> - <input style="width: 40%;" type="text"/>						
64. Final PER for compliance with the overall benefit test:	<input type="radio"/> Yes <input checked="" type="radio"/> No						
66. Benefit LMI, 108 activities	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 33%;">Grant Year 1</th> <th style="width: 33%;">Grant Year 2</th> <th style="width: 33%;">Grant Year 3</th> </tr> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> </table>	Grant Year 1	Grant Year 2	Grant Year 3	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>
Grant Year 1	Grant Year 2	Grant Year 3					
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>					
67. Benefit LMI, other adjustments	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> </table>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>			
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>					
70. Prevent Slum/Blight, 108 activities	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> </table>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>			
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>					
73. Meet Urgent Needs, 108 activities	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> <td><input style="width: 95%;" type="text"/></td> </tr> </table>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>			
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>					

Save | Return

Appendix 3: List of IDIS Matrix Codes

Matrix Code	Eligible Activity (State and Entitlement CDBG)
01	Acquisition of Property - 570.201(a)
02	Disposition - 570.201(b)
03	Public Fac. & Impvm'ts - 570.201(c)
03A	Senior Centers
03B	Handicapped Centers
03C	Homeless Facilities (not operating costs)
03D	Youth Centers
03E	Neighborhood Facilities
03F	Parks, Recreational Facilities
03G	Parking Facilities
03H	Solid Waste Disposal Improvements
03I	Flood Drainage Improvements
03J	Water/Sewer Improvements
03K	Street Improvements
03L	Sidewalks
03M	Child Care Centers
03N	Tree Planting
03O	Fire Station/Equipment
03P	Health Facilities
03Q	Abused and Neglected Children Facilities
03R	Asbestos Removal
03S	Facilities for AIDS Patients (no op'ting costs)
04	Clearance, Demo, Remediate - 570.201(d)
04A	Cleanup of Contaminated Sites
05	Public Services - 570.201(e)
03T	Operating Costs Homeless/AIDS Patients
05A	Senior Services
05B	Handicapped Services
05C	Legal Services
05D	Youth Services
05E	Transportation Services
05F	Substance Abuse Services
05G	Battered and Abused Spouses
05H	Employment Training
05I	Crime Awareness
05J	Fair Housing Activities - Subject to Public Service Cap
05K	Tenant/Landlord Counseling

05L	Child Care Services
05M	Health Services
05N	Abused and Neglected Children
05O	Mental Health Services
05P	Screening for Lead Based Paint/Lead Hazards
05Q	Subsistence Payments - 570.207(b)(4)
05R	Homeownership Assistance (not direct)
05S	Rental Housing Subsidies
05T	Security Deposits
05U	Housing Counseling
05V	Neighborhood Cleanups
05W	Food Banks
06	Interim Assistance - 570.201(f)
07	Urban Renewal Completion - 570.201(h)
08	Relocation - 570.201(i)
09	Rental Income Loss - 570.201(j)
11	Privately Owned Utilities - 570.201(l)
12	Construction of Housing - 570.201(m)
13	Homeownership Direct - 570.201(n)
14A	Rehab; Single-Unit Res. - 570.202
14B	Rehab; Multi-Unit Residential
14C	Public Housing Modernization
14D	Rehab; Other than Public-Owned Residential Blds
14E	Rehab. Pub./Pvt.-Comm'/Indust' - 570.202(a)(3)
14F	Energy Efficiency Improvements
14G	Acquisition for Rehabilitation
14H	Rehabilitation Administration - 570.202(b)(9)
14I	Lead-Based Paint Abtm't - 570.202(f)
14J	Housing Svc's - HOME Prog. - 570.201(k)
15	Code Enforcement - 570.202(c)
16A	Residential Historic Preservation
16B	Non-Residential Historic Preservation
17A	ED Acquisition by Recipient - 570.203(a)
17B	CI Infrastructure Development
17C	CI Building Acq., Construction, Rehabilitation
17D	Other Commercial/Industrial Improvements
18A	ED Assistance to For-Profits - 570.203(b)
18B	ED Administration & TA - 570.203(c)
18C	Micro-Enterprise Assist. - 570.201(o)
19C	Nonprofit Capacity Building - 570.201(p)
19D	Assist. Higher Educ. Inst. - 570.201(q)

19E	Operation and Repair of Foreclosed Property
19F	Planned Repayments of Sec.108 Loans
19G	Unplanned Repayments of Sec.108 Loans
19H	State CDBG Technical Assistance to Grantees
20	Planning-Ent. Com'ties - 570.205
20A	State Planning
21A	General Program Admin. - 570.206
21B	Indirect Costs
21C	Public Information
21D	Fair Housing Activity (subject to Admin. cap)
21E	Submissions or Applications for Federal Programs
21H	CDBG Funding of HOME Admin.
21I	CDBG Funding of HOME CHDO Operating Costs
21J	State Administration Costs
22	Unprogrammed Funds
23	Tornado Shelters - Private Mobile H Parks
24A	Payment of interest on Section 108 loans
24B	Payment of costs of Section 108 financing
24C	Debt service reserve - Section 108

Appendix 4: PER Review Checklist

A. General Information Review

1. Did the state submit its report within 90 days after the close of its program year?
Yes / No
2. If no to question 1, what was the state's reason for missing the submission date?
Enter the actual date of the submission
3. Is there a *PR28 Financial Summary* for each open grant?
Yes / No
4. Are any parameter adjustments (*PR28 Financial Summary*) explained in an attachment?
Yes / No
5. Do the attached explanations sufficiently explain the adjustments?
Yes / No
6. Is the *PR28 Financial Summary* internally consistent? Refer to **Appendix 1** to for the various lines that have a mathematic relationship to one another.
Yes / No
7. Is the timeframe selected for meeting the principal benefit test (Line 63) consistent with the period specified in the state's Consolidated Plan certification and with §570.484(a)?
Yes / No

B. Financial Review

Review each allocation to determine if the financial information on the allocation is correct. Use the space provided to respond to any negative answers.

8. Are the grant allocation, program income and any Section 108 funds properly reported in Section A?
Yes / No
9. Is Line 11 consistent with the HUD 40108 submitted for the same allocation, demonstrating compliance with the 15-month deadline pursuant to §570.494? Keep in mind that it is reasonable to see some variance between Line 11 and the HUD 40108

report of amounts “obligated and announced.” For instance, the 15-month deadline and the timing of this report may not align. Additionally, certain awards may have been subsequently de-obligated by the state, which would reasonably cause Line 11 to be less than the reported amount on the HUD 40108.

Yes / No

10. Did the state report an appropriate state administration match? This is a manual entry on *Report Parameter* screen, for which an explanation must be attached. This is the only place in IDIS to enter the amount of the administration cost match required by 24 CFR 570.489(a)(1). Is Line 18 \geq (Line 31 minus 100,000.00)?

Yes / No

11. Did the state report compliance with the state administration cap pursuant to 24 CFR 570.489(a)(1)(i)? State administration expenditures cannot exceed 3 percent plus 100,000.

State Administration Cap*: $(\text{Line } 31) \leq ((\text{Line } 1 + \text{Line } 5) * 0.03) + 100,000$.

Yes / No

12. Did the state report compliance with the state technical assistance cap pursuant to 24 CFR 570.489(a)(1)(ii)? State technical expenditures cannot exceed 3 percent.

State Technical Assistance Cap: $(\text{Line } 34) \leq ((\text{Line } 1 + \text{Line } 5) * 0.03)$

Yes / No

13. Did the state report compliance with the state administration & technical assistance cap pursuant to 24 CFR 570.489(a)(1)(iii)?

Combined State Admin* and TA Cap:

$((\text{Line } 31 - 100,000.00) + \text{Line } 34) \leq ((\text{Line } 1 + \text{Line } 5) * 0.03)$

Yes / No

**For questions 11 and 13, under the 2014 and prior grants, pursuant to §570.489(a)(1)(v), states had the option of demonstrating compliance with this requirement in two ways, either cumulatively or year-by-year. Pursuant to the regulatory changes made by the Interim Rule, FR 5797-I-01, Changes to Accounting Requirements for the Community Development Block Grants (CDBG) Program, for 2015 and subsequent grants, compliance with §570.489(a)(1) may only be demonstrated on a year-by-year basis.*

14. Did the state report compliance with the public service cap pursuant to HCDA § 105(a)(8)? Is Line 49 \leq 15 percent?

Yes / No

15. Did the state report compliance with the 20 percent combined planning and administration cost cap pursuant to 24 CFR 570.489(a)(3)(ii)? Is Line 58 \leq 20 percent?
Yes / No

16. Did the state report compliance with the 20 percent cap on the annual grant for planning and administration costs pursuant to §570.489(a)(3)(iii)? Is Line 62 \leq 20 percent?
Yes / No

17. Did the state report compliance with the Low and Moderate Income Benefit test?
Is Line 77 \geq 70 percent? Keep in mind that this percentage might be less than 70 percent at various points in the life of the grant(s) involved. Full compliance is determined when the grant(s) are fully expended.
Yes / No

(Refer to Chapter 4 of the CPD Monitoring Handbook 6509.2, Exhibit 4-3, for more information on calculating the state's percentage in meeting the principal benefit test. See: <https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev6/>)