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Community Planning and Development

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Topic

This issue of HOME *FACTS* explains how the Integrated Disbursement and Information System (IDIS) treats open HOME activities that have been in final draw for more than 120 days and describes a HOME participating jurisdiction's (PJ) responsibilities regarding these activities.

Requirement

The HOME regulations at 24 CFR 92.502(d)(1) state that "complete project completion information must be entered into the disbursement and information system, or otherwise provided, within 120 days of the final project drawdown. If satisfactory project completion information is not provided, HUD may suspend further project set-ups or take other corrective actions."

Background

Since 2005, HUD has published a monthly open activities report that identifies all open HOME activities. The report identifies activities in final draw and the number of days each identified activity has been in final draw. One purpose of the report is to assist HOME PJs in identifying activities that must be completed or cancelled in IDIS. While there has been some progress in reducing the number of activities in final draw for more than 120 days since 2005, the results have not been as significant as HUD initially anticipated.

To more effectively address activities in final draw for extended periods, HUD changed IDIS so that it identifies and flags activities that have been in final draw for more than 120 days. Pursuant to the regulations at § 92.502(d)(1), PJs with one or more HOME IDIS activities in final draw status for more than 120 days are blocked from setting up new HOME activities or committing HOME funds to activities other than those that have been in final draw for more than 120 days. A PJ will not regain the ability to set up or commit fund to other HOME activities until all activities "flagged" as being in final draw for more than 120 days are completed, cancelled, or otherwise taken out of final draw status.

IDIS users at the Headquarters, Field Office, and PJ level can view the activities that have been flagged for being in final draw for more than 120 days on the HOME "Review Activities" page in IDIS and on the PR48 HOME Open Activities Report. To assist PJs in anticipating activities that will be flagged in the near future, IDIS provides PJ users with warning flags after an activity has been in final draw for 30 days and for 90 days. These warning flags do not affect the PJ's ability to set up or commit funds to activities.

Resolution

To remove the "final draw for more than 120 days" flag from an activity, the PJ can change the activity status to "completed" in IDIS if the project meets the definition of "project completion" at 24 CFR 92.2. PJs are cautioned that changing the activity status of a project to "completed" if the project does not meet the definition constitutes submission of false information to HUD.

The flag will also be removed from an activity in final draw for more than 120 days, if the PJ changes the activity status to “cancelled” in IDIS. However, a HOME activity with funds disbursed cannot be cancelled in IDIS until the PJ repays the HOME funds expended to its HOME Investment Trust Fund account. If the activity will not be moving forward, the PJ should contact its Field Office and arrange to repay the HOME investment from non-Federal sources following the instructions in HOME FACTS volume 1, number 1: (http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/library/homefacts/volumes/vol1no1) and cancel the activity. If the PJ is unable to repay the HOME funds from non-Federal sources due to fiscal distress, it may be possible to obtain a voluntary grant reduction in lieu of repayment. PJs should contact their Field Office to learn more about voluntary grant reductions.

A PJ may also remove a “final draw for more than 120 days” flag by taking an activity out of final draw status. An activity is not considered to be in final draw status when the IDIS activity funding (commitment) amount exceeds the amount of HOME funds disbursed for the activity. PJs are cautioned that adding funds to activity funding in IDIS to eliminate a flag without amending the HOME written agreement or documenting specific project delivery costs anticipated to be incurred by the PJ in completing the project (e.g., final inspection cost) constitutes a false claim to HUD. Under no circumstance may a PJ increase the funding of an activity that is not expected to move forward to completion imminently. Any increase in activity funding must be documented in the project file.

Questions or Assistance

HUD hosted a webinar that explained these changes on June 4, 2011. The webinar is archived at <https://www.hometa.info/index.cfm?do=viewWebinarTrainings>

Other questions regarding HOME activities identified as being in final draw for more than 120 days or other HOME activity flags should be directed to your local HUD Field Office or the “Ask A Question” section of the OneCPD Resource Exchange website at: <https://www.onecpd.info/ask-a-question/>.