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Topic

This issue of HOME *FACTS* explains how to create a PA (program income for administration) subfund and subgrant PI (program income) in the Integrated Disbursement and Information System (IDIS). The PA subfund allows a participating jurisdiction (PJ) to set aside up to 10 percent of the program income it recorded as PI receipts in IDIS to pay for eligible HOME administrative costs. Also, PJs are now able to subgrant PI funds in IDIS to state recipients and subrecipients, as applicable.

IMPORTANT NOTE: Beginning with 2012 grants, a PJ may not increase its AD (program administration) subfund by up to 10 percent of the PI it recorded as receipts in IDIS. Instead, PJs must follow the process described below. Similarly, a PJ may not keep 10 percent of the program income it deposited in its local account outside of IDIS for program administration costs.

Requirement

The HOME Final Rule at 24 CFR § 92.207 states, in part, that, "aparticipating jurisdiction may expend, for payment of reasonable administrative and planning costs of the HOME program and the ADDI, a sum up to ten percent of the program income deposited into its local account or received and reported by its state recipients or subrecipients during the program year." Further, 24 CFR § 92.503(a)(1) states that a PJ may allow its state recipients and subrecipients to retain program income, provided the funds are used for eligible activities, pursuant to its written agreements.

Background

Prior to the system changes implemented on May 4, 2012, IDIS allowed a HOME PJ to increase its AD subfund by up to 10 percent of the program income it recorded as PI receipts in order for those funds to be expended on eligible administrative costs. However, if the PJ did not have sufficient HOME Entitlement (EN) funds available with which to increase its AD Subfund, IDIS would not permit the PJ to set aside the full amount of PI it had available for administrative costs. This system limitation made it difficult for HOME PJs to reconcile, PI, AD, and EN funds.

The PA subfund provides PJs with a simple method to record, track, and expend any program income it chooses to use for administrative costs. It is completely independent of the AD subfund and is limited by the total amount of program income the PJ records as PI receipts in IDIS. In addition, IDIS allows a PJ to subgrant its PA funds to other organizations. A HOME PJ should record the full amount of any program income deposited in its local account as PI receipts in IDIS, then use the PA subfund to authorize up to 10 percent of its PI receipts to be used for administrative costs. Funds in the PA subfund may then be used toward commitments and expenditures on eligible HOME activities, or PJs may create PA subgrants that allow other organizations to use the PA funds for the same purposes.

Although the HOME regulations allow a PJ to subgrant its PI to subrecipients and state recipients (as applicable) in order to develop affordable housing, IDIS did not accommodate this provision. As a result

of system changes implemented on May 4, 2012, once a PJ enters PI receipts into the system, it has the option to designate up to 10 percent of the funds to the PA subfund, or to subgrant some or all of its PI to its subrecipients and/or state recipients. The instructions provided below explain how to create a PA Subfund, subgrant PA funds to state recipients and subrecipients, and subgrant PI to subrecipients or state recipients, respectively.

IDIS Processing

Adding the PA Subfund:

1. Log in to IDIS and create a PI Receipt(s) for the 2012 grant year or later. No changes were made to this process.
2. Click the **Grant** tab along the top ribbon, then click the *Add* link under the **Subfund Program Income** section located along the left, vertical column.
3. The *Add Subfunds* screen will appear. Under the **Program** drop box, select HOME; under the **Fund Type** drop box, select "PA"; under the **Grant Year** drop box, select "2012" or a later year, as applicable. Click the **Search** button.
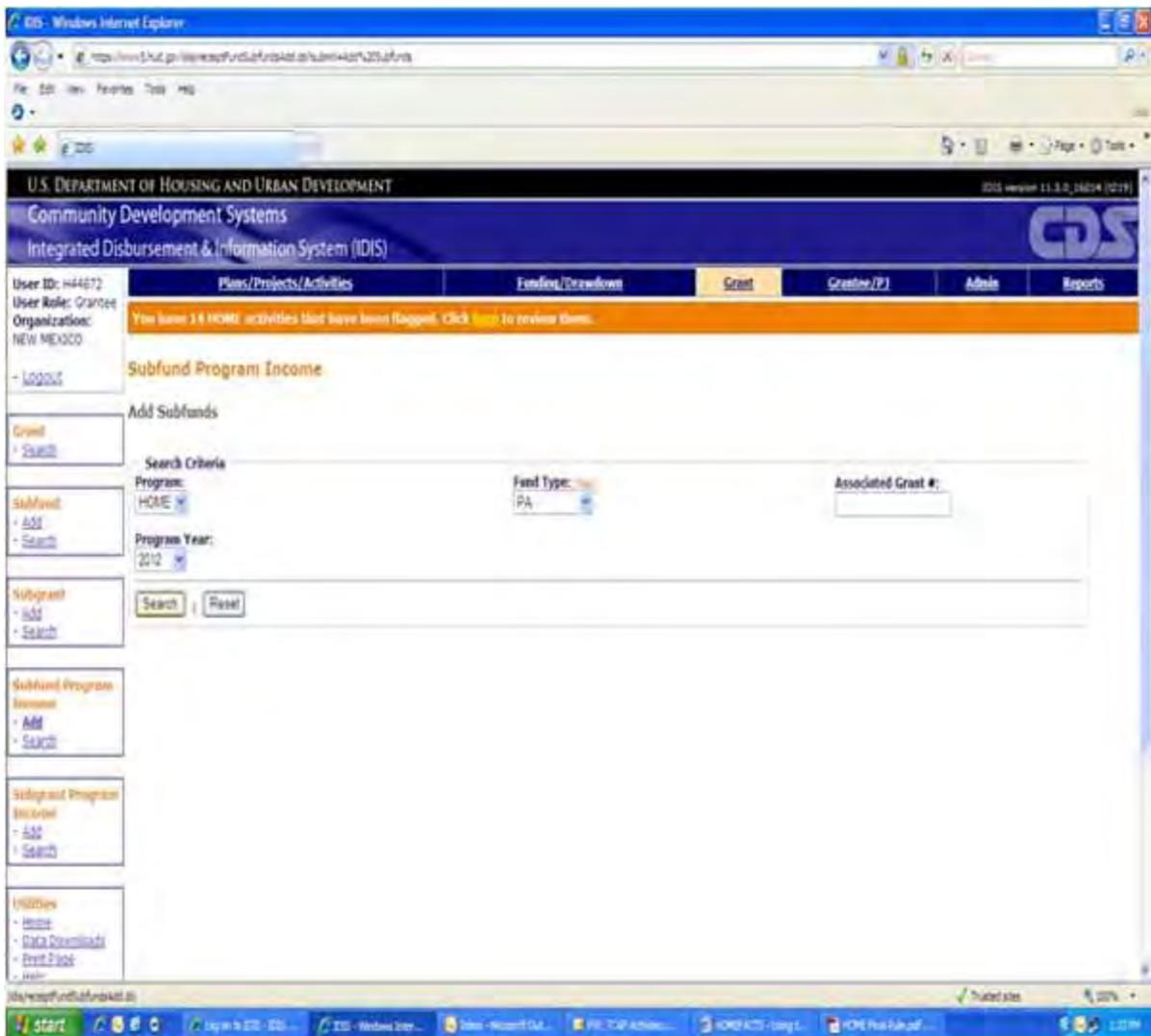
4. Once the results row appears, click the *Add Fund Type* link shown under the **Action** column.
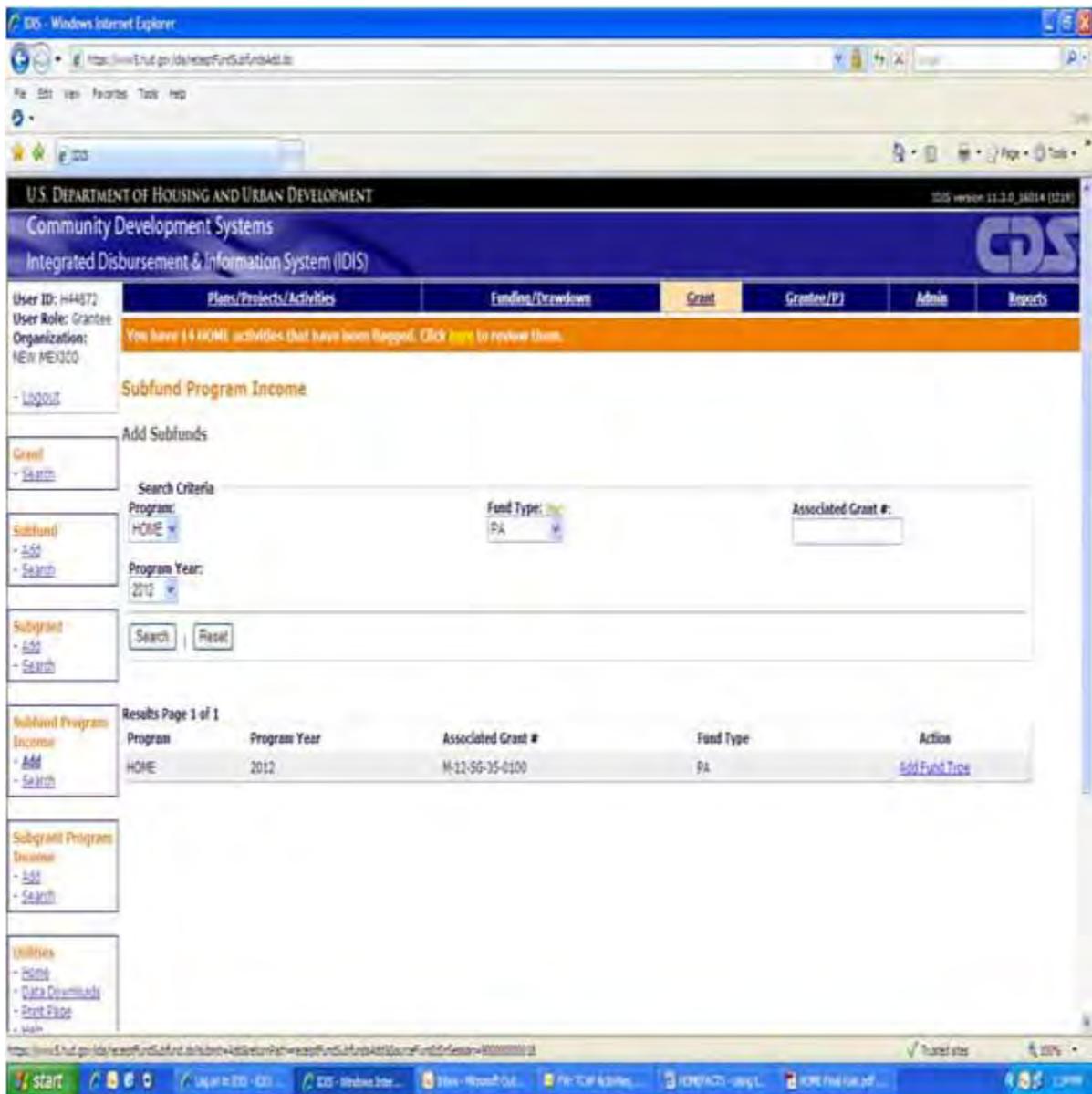
5. On the *Add Subfunds* screen, the PJ user is shown the amount available to add to the PA Subfund. Enter the amount of the PA subfund in the **Authorized Amount for this Subfund** field, not to exceed the maximum shown in the **Range for this Subfund** section. Click the **Save** button.

   NOTE: The **Maximum** field shown in the **Range for Authorized Amount** section is based on 10 percent of the program income recorded as PI receipts in IDIS, minus any PI that has already been subgranted to subrecipients or state recipients, committed to activities, and drawn.
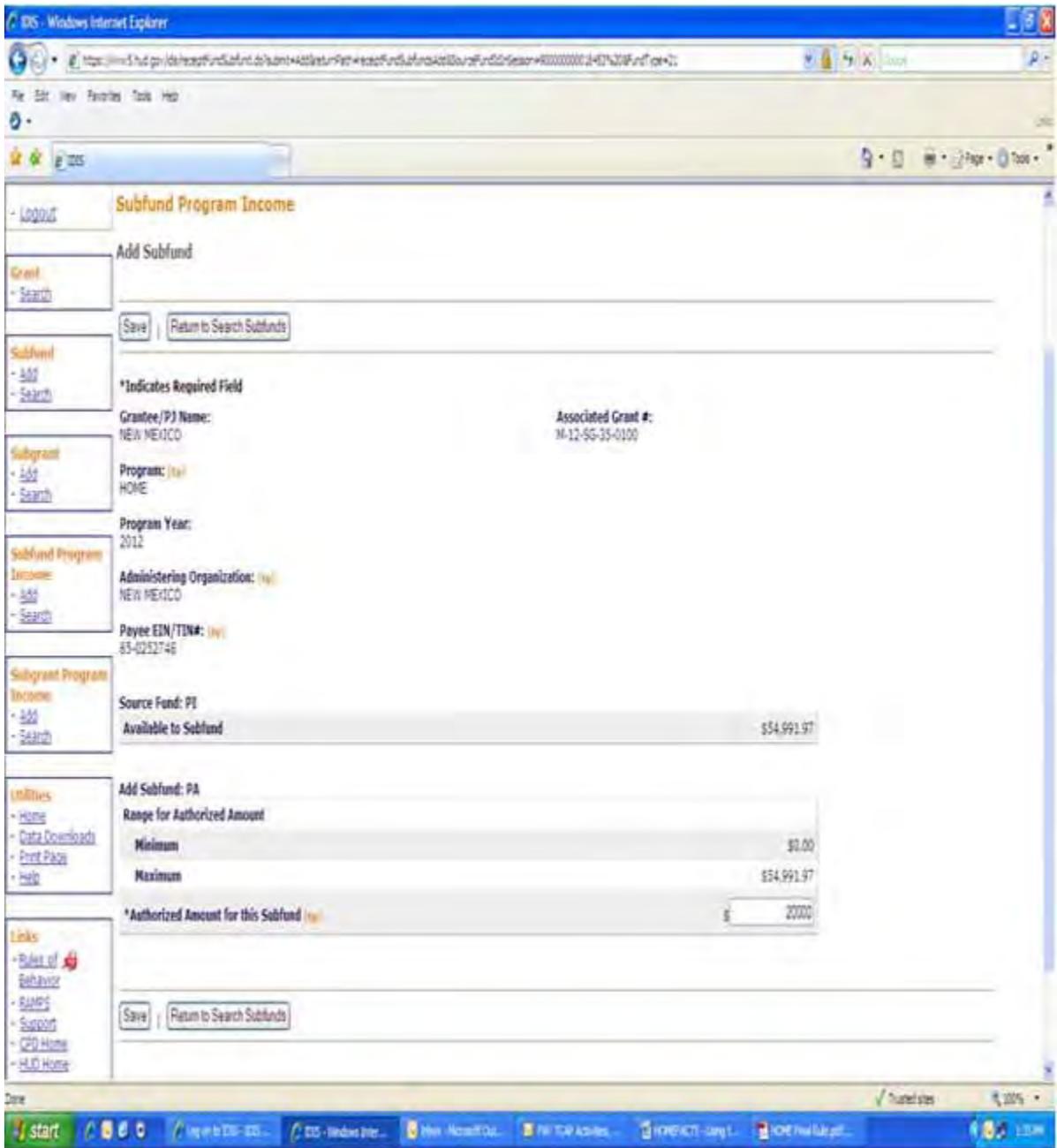
6. The PJ user will be returned to the *Add Subfunds* screen and a message will display stating, "Subfund Added."

Subgranting PA

Once the PA Subfund has been successfully added and the Authorized Amount entered is greater than zero, a PJ may subgrant any portion of the funds to its subrecipients or state recipients by using the following process. Please note that any organization that receives a PA subgrant must have first received a HOME subgrant of any fund type (e.g., SU, CR, CO, CC, CL, or PI).

1. Click the **Grant** tab along the top ribbon, then click the **Add** button in the *Subgrant Program Income* section located along the left, vertical column.
2. On the *Add Subgrant of Program Income* page, click the **Select Organization** button. Enter the required information in the **Search Criteria** section to locate the organization that will receive the PA Subgrant, click the radio button beside the name of the organization, then click the **Select** button. The PJ user will be redirected back to the *Add Subgrant of Program Income* page.
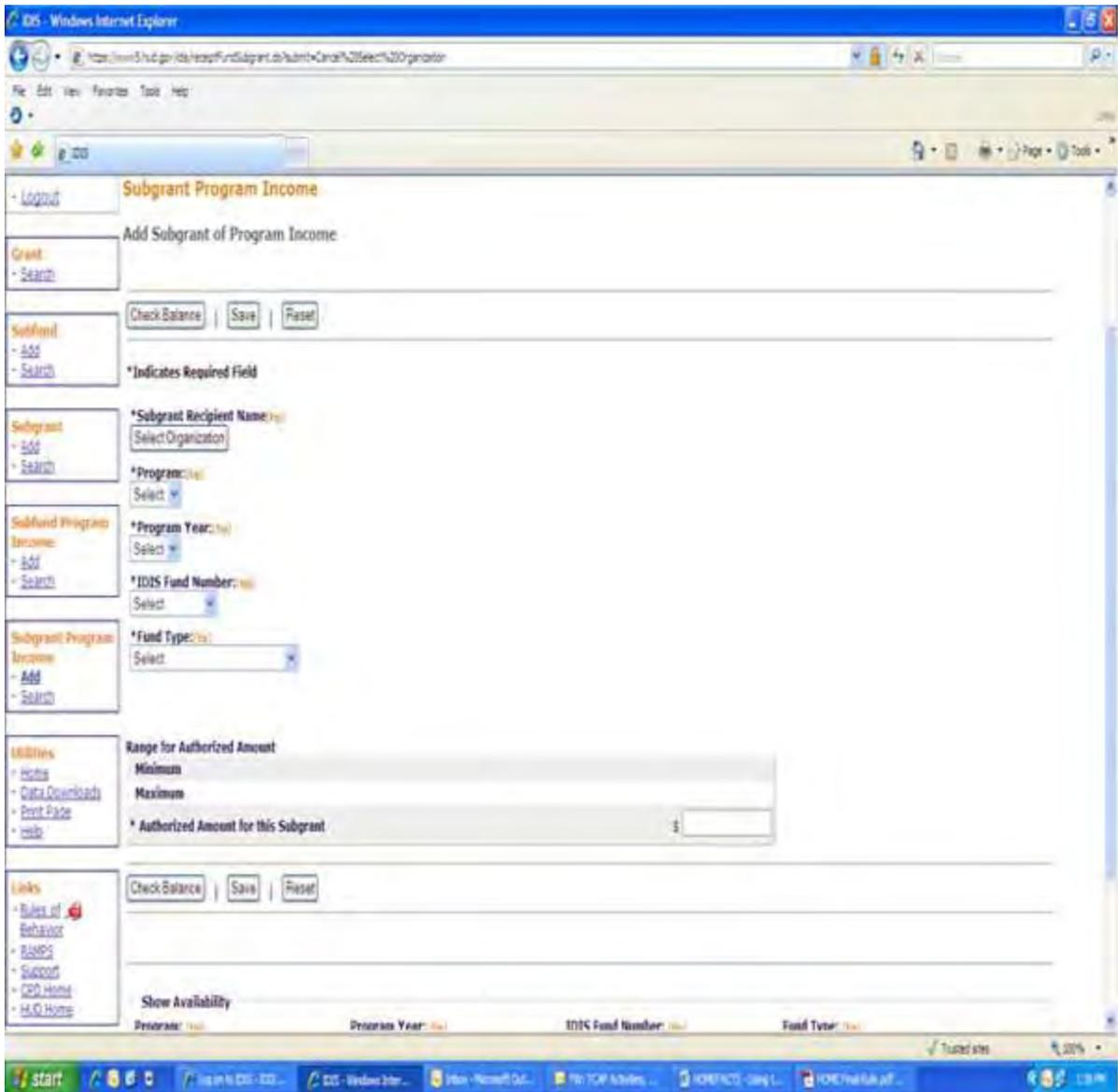
3. Under the Program field, select "HOME"; under the Program Year drop box select "2012" or later; under the IDIS Fund Number field, select the grant number that starts with "M12" or later, as applicable; and under the Fund Type field, select "PA Program Income Admin".
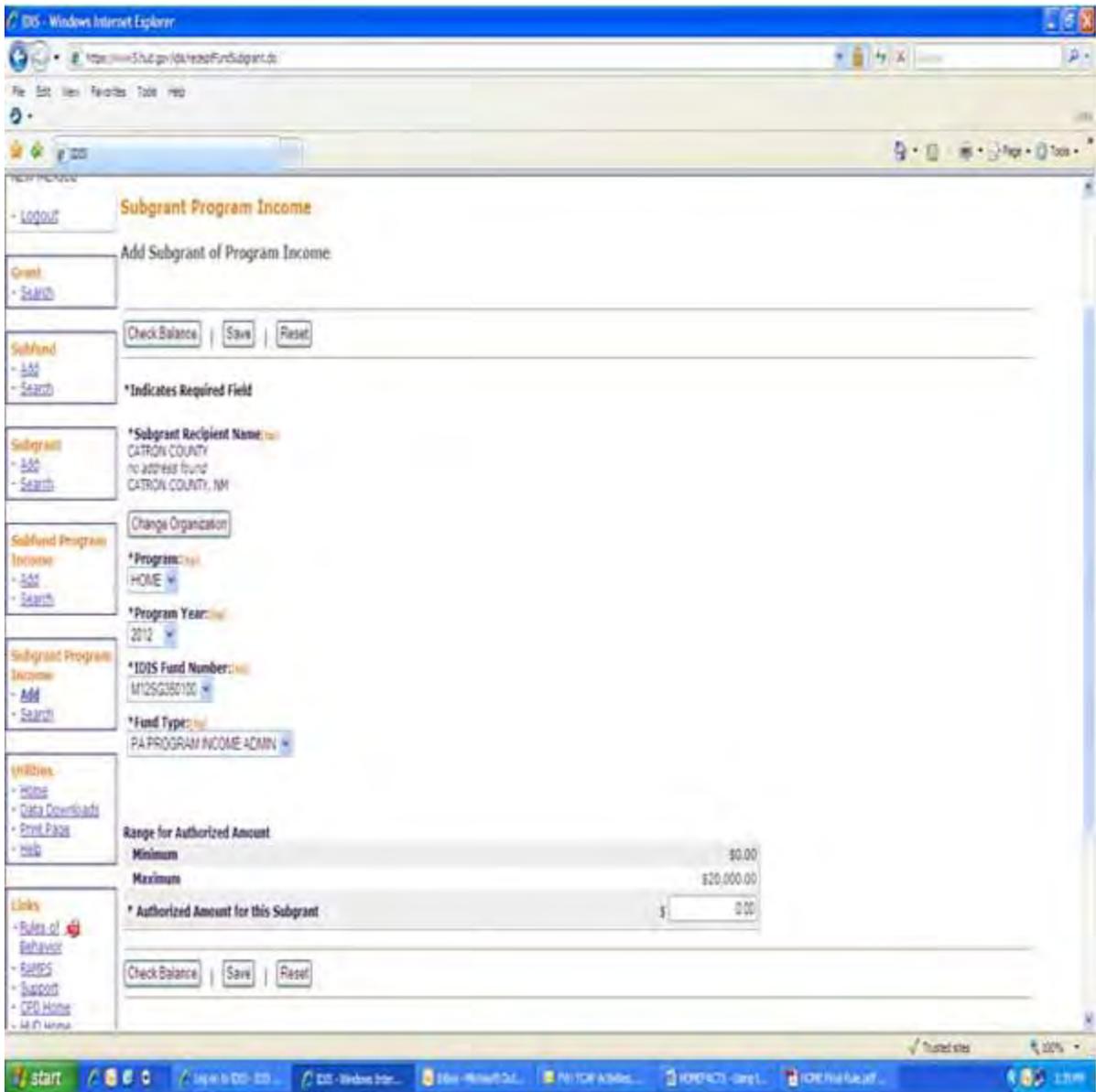
4. Enter the subgrant amount in the Authorized Amount for this Subgrant field and click the Save button. The amount entered must be equal to or less than the available balance in the PA Subfund. The PJ user may click the Check Balance button to verify the amount currently available (see screenshot shown above).

5. IDIS will redirect the PJ user to the View of Program Income Subgrant page and a message will display stating, "Subgrant Added." If the subrecipient staff has been granted IDIS user rights that include activity setup privileges, its staff will be able to view its PI subgrants in IDIS as well as fund HOME activities with the subgrant.
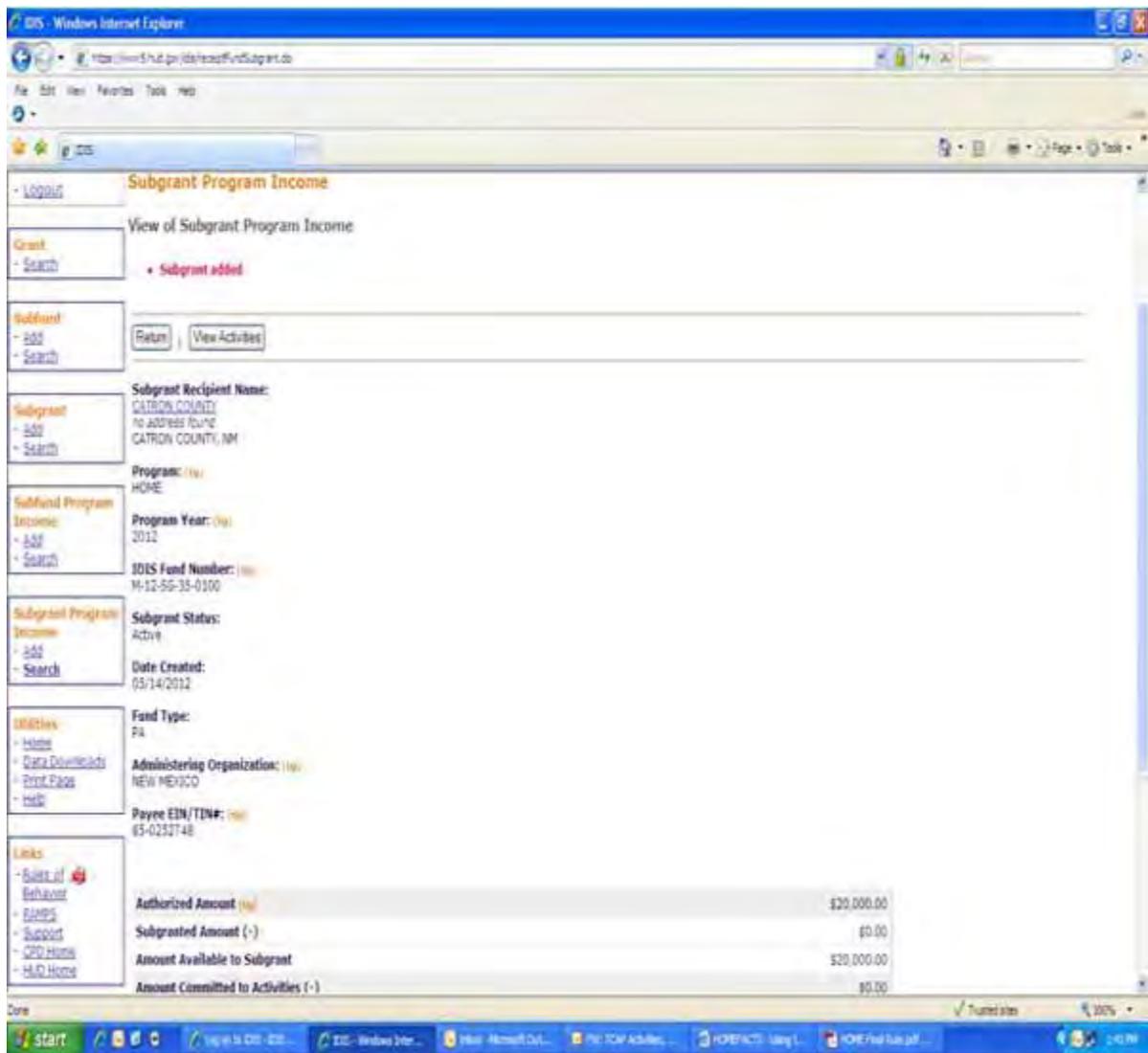
Subgranting PI

PJs are now able to subgrant PI to any organization (e.g., state recipients, subrecipients, and/or CHDOs) by completing the actions shown below. Notice that the steps are almost identical to those required for creating a PA Subgrant.

1. Log in to IDIS and create a PI Receipt(s) for the current grant year. No changes were made to this process.
2. Click the **Grant** tab along the top ribbon, then click the **Add** button in the *Subgrant Program Income* section located along the left, vertical column.
3. On the *Add Subgrant of Program Income* page, click the **Select Organization** button. Enter the required information in the Search Criteria section to locate the organization that will receive the PI subgrant, click the radio button beside the name of the organization, then click the **Select** button. The PJ user will be redirected back to the *Add Subgrant of Program Income* page.
4. Under the **Program** field, select "HOME"; under the **Program Year** drop box, select the year that corresponds with the PI receipt(s); under the **IDIS Fund Number** field, select the grant number that corresponds with the grant year selected, and under the **Fund Type** field, select "PI Program Income".

NOTE: Unlike subgranting PA funds, which may occur only for 2012 HOME grants and later, PJs can subgrant its available PI from an earlier grant year. In the screenshot shown below, the 2011 grant year was used.

5. Enter the amount of the subgrant in the **Authorized Amount for this Subgrant** field and click **Save** button. The amount entered must be equal to or less than the available balance of PI. The PJ user may click the **Check Balance** button to verify the amount currently available (see screenshot shown above).

6. IDIS will redirect the PJ user to the *View of Program Income Subgrant* page and a message will display stating, "Subgrant Added." If the subrecipient staff has been granted IDIS user rights that include activity setup privileges, its staff will be able to view its PI subgrants in IDIS as well as fund HOME activities with the subgrant.

Do you have questions?

Questions regarding creating the PA Subfund or subgranting PI in IDIS OnLine should be directed to the "Ask A Question" section of the OneCPD Resource Exchange website at:
https://www.onecpd.info/ask-a-question/.