



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-21-11

Issued: September 29, 2021
This Notice is effective until
amended, superseded, or rescinded.

Replaces: Notice CPD-16-10

Cross References: 24 CFR 91.10; 91.520; 570.3; 570.482(f)(3); 570.484; 570.489(a)(3); and Sections 104(e) and 105(a)(8) of the Housing and Community Development Act of 1974; and FR-6218-N-01

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

I. Purpose

This Notice updates prior guidance on the submission of the Performance and Evaluation Report (PER) for grantees of the State Community Development Block Grant (CDBG) program and includes guidance on the financial summary report for funds made available to prevent, prepare for, and respond to coronavirus (CDBG–CV funds).

II. Regulatory References & Background

Section 104(e) of the Housing and Community Development Act of 1974 (HCDA) 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). State CDBG grantees submit the PER as a supplement to the CAPER report which specifically addresses a number of State CDBG regulatory requirements, such as: the public benefit standards (24 CFR 570.482(f)(3)); the overall benefit to low- and moderate-income (LMI) persons (24 CFR 570.484); the maximum allowable costs for administration, technical assistance, and overall planning, management and

administration (24 CFR 570.489(a)); and the maximum allowable costs for public service activities, pursuant to section 105(a)(8) of the HCDA.

Additionally, a new version of the PER addresses reporting requirements for supplemental CDBG funds made available to prevent, prepare for, and respond to coronavirus (CDBG–CV funds) as provided in the “Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and for Other Formula Programs” (FR-6218-N-01) (the “CDBG-CV Notice”), including overall benefit to LMI persons (section III.B.5.(d)(iv)), and the caps on administration and technical assistance costs (section III.B.6.(b)(vi)).

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 570.481(a)(3) as 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 an *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 2021*, a grantee may be recording expenditures against multiple grants from *origin years 2018, 2019, 2020 and 2021*.

IV. Content of the Performance Report

State CDBG grantees are required to submit the CAPER and supplemental State PER in the Integrated Disbursement and Information System (IDIS) eCon Module.

The State PER includes three report types generated from the IDIS Reporting Module: the *PR28 Activity Summary*, the *PR28 PER Financial Summary*, and the *PR28 Grant Financial Summary*.

- ✓ A single *PR28 Activity Summary* 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 PER submission.

- ✓ *PR28 PER Financial Summary* reports must be included for every open annual State CDBG grant. A final *PR28 PER Financial Summary* is required to be submitted for annual State CDBG grant closeout. The *PR28 PER Financial Summary* is described in detail in **Section VI of this Notice**. The report includes the cumulative financial status of each grant, uses, and expenditures, over the entire period of performance of the grant. Additionally, this report includes other sources of funds that may have been received or expended, though limited to those occurring during just the first program year of the corresponding grant's period of performance, namely program income and loan funds guaranteed under the Section 108 program.

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 direct manual adjustments to the report output. **Appendix 3** includes an IDIS Matrix Code chart to explain the Matrix Codes referenced in Appendix 1. **Appendix 4** includes a checklist for reviewing the report for compliance with requirement applicable to the use of CDBG funds.

- ✓ The *PR28 Grant Financial Summary* report is similar to the *PR28 PER Financial Summary*; however, this report does not include other funding sources and does not allow for direct manual adjustment. This report is limited to only grant funds, and similarly includes the cumulative financial status of each grant, uses, and expenditures, over the entire period of performance of the grant. This report is designed for the purpose of reporting requirements for CDBG-CV funds. This report will be required annually for as long as a state's CDBG-CV grant remains open. A final report is required to be submitted for closeout of the CDBG-CV grant. **Appendix 5** provides an example of the report with details for each line and notes on how to use the *PR28 Grant Financial Summary* report. **Appendix 6** includes a checklist for reviewing the report for compliance with requirements applicable to the use of CDBG-CV funds.

The federal financial reports for State CDBG awards are specifically the *PR28 PER Financial Summary* and the *PR28 Grant Financial Summary*. Typically, other federal award programs utilize the common Federal Financial Report, SF425, pursuant to 2 CFR 200.328. However, pursuant to 2 CFR 200.101(e)(1), that reporting requirement (2 CFR 200.328) is not applicable to the State CDBG program, which was authorized by the Omnibus Budget Reconciliation Act of 1981. Therefore, the SF425 is not used by a State CDBG recipient unless a state chooses to

adopt that portion of 2 CFR Part 200 to satisfy the program's fiscal and administrative requirements pursuant to 24 CFR 570.489(d).

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, 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 CAPER including the State PER 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 it has 90 days to submit the report to HUD, 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. Pursuant to 24 CFR 91.20, the HUD Field Office may determine there is good cause to provide an extension to the CAPER submission, including the State PER. Additionally, pursuant to FR-6218-N-01, due to coronavirus, all CDBG grantees were allowed up to 180 days after the close of the state's program year, to submit the CAPER for the 2019 program year.

At the end of each program year, states will:

1. Use the IDIS report adjustment screen to provide state matching administrative costs on line 18 and select the period for the overall benefit calculation on line 63 of the *PR28 PER Financial Summary*. See **Appendix 2**.
2. Generate the reports included in PER, including one *PR28 Activity Summary* for the program year, a number of *PR28 PER Financial Summaries* equal to the number of open annual CDBG grants, and a *PR28 Grant Financial Summary* for the CDBG-CV grant, for as long as the grants remain open. Additionally, *PR28 Grant Financial Summaries* must be included for the FY2019 and FY2020 annual CDBG grants if more than 15 percent of those funds were used for public service activities to prevent, prepare for, and respond to coronavirus.
3. Review the reports. If necessary, the state may wish to make adjustments to the reports.
 - a. The *PR28 Grant Financial Summary* can only be adjusted by modifying the activity level obligations and expenditures for the grant.
 - b. The *PR28 PER Financial Summary* allows for direct manual adjustment. If adjustments are made, the report must be re-generated to reflect those entries.

Additionally, the state must provide a report attachment with explanation(s) of each adjustment made.

4. Make the full Performance Report (CAPER, including the PER) available for public comment pursuant to 24 CFR 91.115(d), (e) and (f). Attach a summary of the comments or views received to the Performance Report pursuant to 24 CFR 91.115(d).
5. 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.

Data in IDIS may not support the generation of *PR28 PER Financial Summaries* for earlier open grants. States may continue to use the format and method described in CPD Notice 07-06(a), *Interim Reporting Requirements for the State Performance and Evaluation Report (PER) pending Re-engineering of the Integrated Disbursement and Information System (IDIS)* in preparing these legacy reports that may remain open.

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 checklists provided in **Appendix 4** for annual State CDBG grants and in **Appendix 6** for the State CDBG-CV grants 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 checklists should be maintained. Additionally, the state may proactively use the checklist to review its 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 the PER. The field office will provide states at least 30 days to review and comment. HUD may revise its report after considering the state's views, and shall make its 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 HUD 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 five years.

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

PR28 PER Financial Summary reports must be included for every open annual State CDBG grant. A final *PR28 PER Financial Summary* is required to be submitted for annual State CDBG grant closeout. Within 90 days of the execution of the *Closeout Certification* (form HUD 40151), the State CDBG grantee must submit a final *PR28 PER Financial Summary*, unless already submitted as part of the most recent submission of the CAPER.

When generating the *PR28 PER 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 PER Financial Summary* and are displayed in the report output. For any *PR28 PER Financial Summary* where the grantee made adjustments, the grantee must attach an explanation 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 PER Financial Summary* captures the following information:

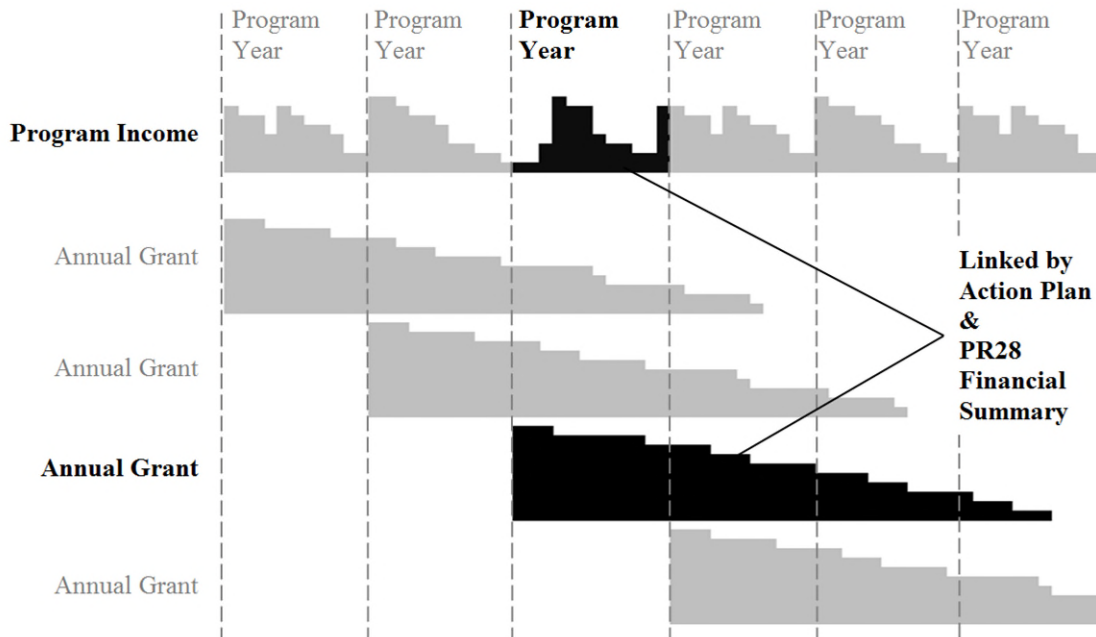
- *Part I. Section A. Sources of State CDBG Funds* captures **sources received** during that initial program year, including the annual grant and the amount of program income received during the initial program year. The program income receipts captured include those made to the general program income 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 during the period of performance

of the grant, as well as any funding from the Local Account repayment fund (LA) associated with that same grant (see **Section VIII** 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 during the period of performance 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 similarly 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 similarly 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 similarly to Section C. Additionally, it compiles this information from up to two other *PR28 PER Financial Summaries* because the user may define a compliance period of up to three grant years on the corresponding *Report Parameters* screen.

Unlike grant funds, for which the *PR28 PER 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 PER 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. The *PR28 PER Financial Summary* only captures the program income transactions associated with first program year in a grant's period of performance. The amount of program income received during the program year is the basis for determining the cap on expenditures during that same program year. Program income that is received in one program year and expended in another program year will contribute to setting the cap in the year that it is received; however, the expenditures will be subject to a cap established for the program year in which the funds are expended.

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



VII. The Data Captured in the PR28 Grant Financial Summary

This report is designed for CDBG-CV funds (however, IDIS will generate the report for annual CDBG grants as well). This report is limited to grant funds only and excludes program income pursuant to section III.B.6.(a) of the CDBG-CV Notice. It includes the cumulative financial status of each grant, uses, and expenditures over the entire period of performance of the grant. The report indicates expenditures for activities to prevent, prepare for, and respond to coronavirus. Therefore, grantees must include these reports for the FY2019 and FY2020 annual CDBG grants if more than 15 percent of those funds were used for public service activities to prevent, prepare for, and respond to coronavirus.

Section A. Sources of State CDBG Funds captures the executed grant amount to date. All three rounds of CDBG-CV allocations are captured under the single CDBG-CV grant. Program Income is not included.

Section B. State CDBG Resources by Use captures activity funding from IDIS. Activity funding is the user-defined budget for an activity. The report captures any funding from the grant that occurred at any point during the period of performance of the grant.

Section C. Expenditures of State CDBG Resources captures expenditures for state administration, technical assistance, and other activities. This section is used to determine compliance with the

caps on State administrative and technical assistance costs [FR-6218-N-01, III.B.6.(b)(vi)]. On line 7, a state may use up to 5 percent of the CDBG–CV grant for general administration costs. On line 8, a state may use up to 2 percent of the grant for technical assistance activities [III.B.6.(b)(vi)].

This section does not address the State administrative cost match because that requirement was eliminated for CDBG-CV funds [III.B.6.(b)(v)].

For all other activities, this section also distinguishes between funds disbursed for activities related to coronavirus and those not related to coronavirus. Pursuant to FR-6218-N-01, III.B.5.(a) the grantee is required to use all CDBG–CV funds for CDBG-eligible activities that are carried out to prevent, prepare for, and respond to coronavirus. CDBG–CV grants cannot be used for any other purpose. Therefore, zero CDBG-CV funds will appear on line 12 of this report.

Section D. Compliance with Public Service (PS) Cap captures vouchers similarly to Section C and compares those expenditures to the sources listed in Section A. The percentage of CDBG-CV funds, FY2019 annual CDBG funds, and FY2020 annual CDBG funds expended for activities carried out to prevent, prepare for, and respond to coronavirus is allowed to exceed 15 percent [III.B.5.(f)(iii)].

Section E. Compliance with Planning and Administration (P/A) Cap captures vouchers similarly to Section C and compares those expenditures to the sources listed in Section A. On line 20, a state and its funded units of general local government and subrecipients are, in aggregate, permitted to expend no more than 20 percent of the CDBG–CV grant for planning, management, and administrative costs.

Section F. Overall Low- and Moderate-Income Benefit measures the overall benefit to LMI persons. CDBG–CV grants are subject to the requirement that 70 percent of funds are for activities that benefit LMI persons. There is not an option for grantees to select the timeframe for compliance, because, for CDBG-CV funds, HUD established an alternative requirement to modify the calculation of overall LMI benefit, so that compliance with the requirement is separated from the annual formula CDBG program calculation of overall benefit [III.B.5.(d)(iv)].

VIII. Reimbursed Funds

Reimbursed funds are captured by the *PR28 PER Financial Summary* and the *PR28 Grant Financial Summary* in two ways. The first includes reimbursements made to the line of credit. The other is when reimbursements are made to a local program account, which are recorded in IDIS using Local Account (LA) fund type.

With a **reimbursement to the line of credit**, the funds are applied to 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 PER Financial Summary* for the grant from which the disallowed cost was originally paid. In September 2021, the FY2014 Treasury accounts will cancel. Therefore, any repayment made to a FY2014 account after September 2021 will not be available to the grantee and will not appear on this report.

For repayments to FY2015 and subsequent grants, this process is easier. Similarly, 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 FY2015 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 PER 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 due to the transition to grant-based accounting. Therefore, the IDIS user should only revise vouchers to correct errors. The LA fund is associated with the grant as indicated on the voucher sent to LOCCS for the ineligible cost, similar to a line of credit reimbursement. 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, a user does not use a LA fund receipt to report program income repayments. The user may cancel **program income vouchers** for ineligible costs, 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, users shall not revise in any way the **grant vouchers** for the ineligible activity. An ineligible activity with an LA repayment shall then be **cancelled with draws**. Additionally, the “cancelled with draws” IDIS screens demonstrate the grant repayments to the local account associated with the activity being cancelled.

The *IDIS Manual for States* includes more specific details on how to use the LA fund. The *Manual* has detailed procedures and screen shots of IDIS for the LA fund.

In relationship to the *PR28 PER Financial Summary*, funding and vouchers made from the LA fund are connected to the grant origin year as it appeared on the original voucher sent to LOCCS for the ineligible activity. Consequently, the LA fund is reflected on the corresponding *PR28 PER Financial Summary* according to the year indicated on the 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 FY2014 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 PER 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 is not necessary.

The *PR28 PER Financial Summary* will not capture draws against activities that have been *cancelled with draws*. This prevents such expenditures from counting towards the overall public benefit test. This also prevent duplication of expenditures when such expenditures are repaid using the LA fund and subsequently drawn again.

IX. Timing of the PER

The state needs to carefully time the generation the PER reports. For most grantees, year-end financial reporting is not immediately available, and it takes additional time to collect financial data for the program year. HUD allows 90 days, which includes a minimum public comment period of 15 days, after the end of the program year to submit the CAPER including the PER.

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 30. A local government

provides its year-end report to the state by July 31, which details the PY2014 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 PER Financial Summary* despite being entered into IDIS during the beginning of the 2015 program year.

Timing of the Report and Grant Funds: The *PR28 PER Financial Summary* and *PR28 Grant Financial Summary* capture 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 the grantee entered in IDIS between the end of the program year and time of the report generation. State CDBG grantees are not required to adjust the *PR28 PER Financial Summary* and *PR28 Grant Financial Summary* to remove such obligations and expenditures, because compliance with caps and overall public benefit is measured against the entire grant. However, HUD encourages grantees to run this report as soon after the end of the program year as possible.

Timing of the Report and Adjustments: A grantee may adjust the *PR28 PER Financial Summary* using the parameters screen in IDIS, as discussed in Section V of this Notice. 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 enter subsequent receipts and vouchers into IDIS between the time of the initial generation and the final re-generation of the *PR28 PER Financial Summary*, then those adjustments may become a moving target. HUD recommends that the grantee either take into consideration those subsequent IDIS entries while making any necessary adjustments or temporarily cease other IDIS entries while the report adjustments are being made.

X. Reconciling the *PR28 PER Financial Summary*

The *PR28 PER 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: For 2015 and subsequent grants, the *PR28 PER Financial Summary* will generally reconcile easily against other IDIS reports. However, for FY2014 and prior grants, reconciliation can be more difficult. For FY2014 and prior grants, the grant year indicated on the *Add-Edit Activity Funding Screen* is used to send the appropriate data to the report. This field is only referenced by three other IDIS reports: the *PR28 Activity Summary*, the *PR28 Grant Financial Summary*, and the *PR57 State Grant Commitments* report. All other IDIS reports indicate the “grant year” associated with the voucher; for FY2015 and subsequent grants,

the grant indicated on the voucher and the grant indicated on the *Add-Edit Activity Funding Screen* is the same.

Reconciling the program income data: The *PR28 PER Financial Summary* captures vouchers and receipts against program income sources according to the program year in which they occurred. Grantees can filter both the *PR07 Drawdown Report for All Vouchers* and the *PR09 Receipt Report* 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 causing an error in the *PR28 PER Financial Summary*.

XI. More Resources:

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 <https://www.hudexchange.info/resource//2532/idis-online-for-state-cdbg-grantees/>. The *Manual* contains important information about the IDIS reporting transactions discussed in this Notice, particularly those dealing with the 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 Robert C. Peterson, Director, States and Small Cities Division, Office of Block Grant Assistance, at (202) 708-1322.

Appendix 1: Example PR28 PER 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 period of performance 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)

$$\text{Combined State Admin}^* \text{ and TA Cap:}$$
$$((\text{Line 31} - 100,000.00) + \text{Line 34}) \leq ((\text{Line 1} + \text{Line 5}) * 0.03)$$

*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)**;

Note: This report includes drawn amounts where the activity is carried out to prevent, prepare for, and respond to coronavirus. Pursuant to III.B.5.(f)(iii) of the CDBG-CV Notice, the percentage is allowed to exceed 15 percent of FY2019 annual CDBG funds and of FY2020 annual CDBG funds expended for public service activities carried out to prevent, prepare for, and respond to coronavirus. The *PR28 Grant Financial Summary* will demonstrate whether

those expenditures from FY2019 or FY2020 funds were for such coronavirus-related activities.

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;
- 78) Other Disbursements
- 79) *State Administration:* Derived from net drawn for 21J activities;
- 80) *Technical Assistance:* Derived from net drawn for 19H activities;
- 81) *Local Administration:* Derived from net drawn for activities where matrix code = 19A, 19B, 20, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, or 21I;
- 82) *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

|

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;"> <thead> <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> </thead> <tbody> <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> </tbody> </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"/>			
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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)
03A	Senior Centers
03B	Facilities for Persons with Disabilities
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)
03T	Homeless/AIDS Patients Programs (Subj to 15% PS cap)
03Z	Other Public Improvements Not Listed in 03A-03S
04	Clearance and Demo - 570.201(d)
04A	Cleanup of Contaminated Sites
05A	Senior Services
05B	Services for People with Disabilities
05C	Legal Services
05D	Youth Services
05E	Transportation Services
05F	Substance Abuse Services
05G	Services for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking
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 Services
05O	Mental Health Services
05P	Screening for Lead Based Paint/Lead Hazards
05Q	Subsistence Payments - 570.207(b)(4)
05R	Homebuyer Downpayment Assistance (not direct)
05S	Rental Housing Subsidies
05T	Security Deposits
05U	Housing Counseling Only, under 24 CFR 5.100
05V	Neighborhood Cleanups
05W	Food Banks
05X	Housing Information and Referral Services
05Y	Housing Counseling, under 24 CFR 5.100
05Z	Other Public Services Not Listed in 03T and 05A-05Y
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)
13A	Housing Counseling, under 24 CFR 5.100 for Homeowner Assistance 13B
13B	Homeownership Assistance – excluding Housing Counseling under 24 CFR 5.100
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)
14K	Housing Counseling, Supporting HOME
14L	Housing Counseling w/CDBG Ass't Rehab
15	Code Enforcement - 570.202(c)
16A	Residential Historic Preservation

16B	Non-Residential Historic Preservation
17A	CI Acquisition/Disposition - 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	ED Micro-Enterprise Assist. - 570.201(o)
19C	Nonprofit Capacity Building - 570.201(p)
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-Only Activities
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
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: PR28 PER Financial Summary Review Checklist

A. General Information Review

1. Is there a PR28 PER Financial Summary for EACH open annual grant?
Yes / No
2. Are there any report adjustments made by the grantee (PR28 PER Financial Summary) and are they sufficiently explained in an attachment?
Yes / No
3. 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's report and use the space provided to explain any negative determinations.

4. Are Section 108 funds properly reported in Section A?
Yes / No / Not Applicable
5. 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
6. 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 4 through 6, 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.

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

Yes / No

Note: This report includes drawn amounts where the activity is carried out to prevent, prepare for, and respond to coronavirus. Pursuant to III.B.5.(f)(iii), the percentage is allowed to exceed 15 percent of FY2019 annual CDBG funds and of FY2020 annual CDBG funds expended for public service activities carried out to prevent, prepare for, and respond to coronavirus. The PR28 Grant Financial Summary will demonstrate whether those expenditures from FY2019 or FY2020 funds were for such coronavirus-related activities.

8. 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

9. 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

10. 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 during the period(s) of performance 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/>)

Appendix 5: Example PR28 Grant 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]
Grant Financial Summary
As of [Report Generation Date]

Grant Number B-[YY]-DW-[State FIPS Code]-[Grant Identifier]

A. Sources of State CDBG Funds

- 1) *State Allocation CDBG-CV grant*, with the source code “DW” in IDIS.
- 2) *Grant funds returned to line of credit*: Amounts repaid and credited to the CDBG-CV account in LOCCS.
- 3) *Grant funds returned to local account*: Sum of LA receipts associated with CDBG-CV grant.

B. State CDBG Resources by Use

- 4) *Obligated to recipients*: Sum of activity funding from the grant and the LA fund associated with that grant
- 5) *Set aside for State Administration*: Sum of activity funding for matrix code 21J.
Note: If this amount is unexpectedly low, review that state admin activities are properly coded as 21J and not 21A. Note that for CDBG-CV funds, the requirement for matching state administrative funds has been waived.
- 6) *Set aside for Technical Assistance*: Sum of funding from activities where matrix code is 19H.

C. Expenditures of State CDBG Resources

- 7) *Drawn for State Administration*: Total amount drawn from the selected grant and associated LA fund for activities with matrix code 21J.
Review for compliance: *A state may use up to 5 percent of CDBG-CV funds for state administrative costs.*
- 8) *Drawn for Technical Assistance*: Total amount drawn for activities with matrix code 19H.

Review for compliance: A state may use up to 2 percent of CDBG-CV funds for technical assistance activities.

- 9) *Drawn for Section 108 Repayments:* Total drawn for activities where matrix code is 19F, 19G, 24A, or 24C
- 10) *Drawn for all other activities:* Total drawn for activities where matrix codes are not 19F, 19G, 19H, 24A, 24C, or 21J
- 11) *Disbursed for Coronavirus-related Activities:* Total drawn for activities indicated in IDIS as being carried out to prevent, prepare for, and respond to coronavirus.
- 12) *Disbursed for Activities Not related to Coronavirus:* Total drawn for activities indicated in IDIS as NOT being carried out to prevent, prepare for, and respond to coronavirus.
Review for compliance: This amount must be zero for the CDBG-CV grant.

D. Compliance with Public Services (PS) Cap

- 13) *Disbursed in IDIS for ALL PS:* Derived from the net drawn from the selected grant for activities where matrix code is 05* or 03T
- 14) *Disbursed for Coronavirus-related Public Services:* Total drawn for public service activities indicated in IDIS as being carried out to prevent, prepare for, and respond to coronavirus.
- 15) *Disbursed for Public Services Not related to Coronavirus:* Total drawn for public service activities indicated in IDIS as NOT being carried out to prevent, prepare for, and respond to coronavirus. This is a subset of line 12, and must be zero for CDBG-CV selected grants.
- 16) *Percent of funds disbursed to date for PS (line 13 / line1)*
- 17) *Percent Disbursed for Coronavirus-related Public Services (line 14 / Line 1):* There is not a percent limitation on the use of CDBG-CV grant funds for public service activities to prevent, prepare for, and respond to coronavirus.
- 18) *Percent Disbursed for Public Services Not related to Coronavirus (line 15 / line1):*
Review for compliance: This amount must be zero for CDBG-CV selected grants and must not exceed 15 percent for FY2019 and FY2020 annual CDBG grants.

E. Compliance with Planning and Administration (P/A) Cap

- 19) *Disbursed in IDIS for P/A from Grant:* Total drawn from the selected grant for activities where matrix code = 19A, 19B, 20, 20A, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, or 21J

- 20) *Percent of funds disbursed to date for P/A (line 19 / line 1):* In-report calculation. **Review for compliance** that does not exceed 20 percent pursuant to **24 CFR 570.489(a)(3)(ii)** and **III.B.6.(b)(vi)**

F. Overall Low- and Moderate-Income Benefit

- 21) *Drawn to Benefit LMI persons and households (minus nonaccountable amounts, line 22):*
Derived from the sum of draws for activities where national objective = LMA*, LMC*, LMJ*, LMH* minus Line 22 (nonaccountable) amount
- 22) *Noncountable amounts drawn: Non-LMI Portion of LMH activities*
- 23) *Drawn to Prevent/Eliminate Slum/Blight:* Derived from net drawn for activities where national objective + SB(A, S, R)
- 24) *Drawn to Address Urgent Needs:* Derived from net drawn for activities where national objective = URG
- 25) *Total disbursements subject to overall LMI benefit (sum of lines 21, 22, 23, and 24):* In-report calculation = Total expenditures for LMI compliance
- 26) *Percent Low and moderate income benefit, to date (line 21 / line 25):*
Review for compliance: Must be greater than or equal to 70 percent by the end of the period of performance of the CDBG–CV grant alone. Compliance with this requirement is separated from the annual formula CDBG program calculation of overall benefit [III.B.5.(d)(iv)].

Appendix 6: Grant Financial Summary Review Checklist

1. Line 7: Did the state comply with the state administration cap of 5 percent for CDBG-CV?
[III.B.6.(b)(vi)]
Yes / No

2. Line 8: Did the state comply with the state technical assistance cap of 2 percent of CDBG-CV funds?
[III.B.6.(b)(vi)]
Yes / No

3. Line 12: Did the state comply with the requirement to use CDBG-CV funds ONLY for activities carried out to prevent, prepare for, and respond to coronavirus?
Note: When generated for CDBG-CV funds, line 12 must equal Zero. If generated for annual grants, an amount will usually appear on line 12.
Yes / No

4. Line 18: ONLY review line 18 for FY2019 and FY2020 annual grant funds if the *PR28 PER Financial Summary* for those grants indicates that the public service cap might have been exceeded. Do not review line 18 for CDBG-CV funds. Did the state comply with the 15 percent public service cap on activities NOT carried out to prevent, prepare for, and respond to coronavirus for FY2019 and FY2020 annual grant funds?
Yes / No

5. Line 20: Did the state report compliance with the 20 percent cap on overall planning and administrative costs? [III.B.6.(b)(vi)]
Yes / No

6. Line 26: Did the state comply with the overall benefit test by expending at least 70 percent of CDBG-CV funds for activities benefitting low- and moderate-income persons? [III.B.5.(d)(iv)]
Note: CDBG-CV overall benefit is measured separately from annual grants. Additionally, compliance is fully determined at the end of the period of performance of the grant.
Yes / No