

## NSP Program Income Transfer Updates and Q & A 08 16 2016

Sandy Patel: Good afternoon everybody and thank you for joining today's NSP webinar updated on program income transfer procedures. My name is Sandy Patel; I am with TDA a technical assistance provider for HUD. I will be serving as your host today. I'm going to run through some technical instructions on how to ask questions and things like that before I hand it off to our wonderful presenters. Today's webinar audio is broadcasted through your computer speakers. You may choose to dial in if you're unable to use the computer audio. If you choose to dial in please mute your computer audio to avoid hearing echo. Please close email and all other programs on your computer and silence your cell phone and give your undivided attention to our presenters today. If you have any technical problems you can email Ernie Hernandez at [EHernandez@TDAinc.org](mailto:EHernandez@TDAinc.org) or you can send a chat message to the host. That will come directly to me and I can help you with any issues you might be having. All participants will be muted during the webinar. Questions can be asked in writing use the Q & A tool. You can ask written questions at any point during the presentation. The panelist will collect those and answer them when we stop for questions. To ask a written question use the Q & A tool, it is located on the right hand side of the web ex screen. You can see a screenshot of what it looks like on the screen. If you do not see it click on the triangle and it will expand the box. Please ask questions to all panelists, then just type your question in the box and click send. Again those you can do at any point during the presentation. All questions will be answered verbally. We may not be able to get to all questions but we will try to answer the common ones first. Please send additional, unanswered and private questions to Jennifer Alpha at [JAlpha@TDAinc.org](mailto:JAlpha@TDAinc.org). And with that I'm going to hand it off to Jennifer with TDA.

Jennifer Alpha: Thanks Sandy. Welcome everyone to today's edition of the NSP webinars. This webinar will be focused on providing further detail on the NSP program income transfer procedures including how to complete the request template that you'll send to HUD in order to request approval the transfer program income. Just a reminder that the full instructions for requesting program income transfers are available on the HUD Resource Exchange. In addition to that we did provide a webinar on July 19 that covered all sets involved in program income transfers so you might want to take a look at that if you need a refresher.

This session is being recorded and an archive will be created on the HUD resource exchange as well. The archive will include the audio/visual recording, a PDF with the presentation slides and a written transcript.

I want to also let you know that if you need the slides for today's presentation you can access those on the HUD resource exchange as well or in the link that's provided in the chat box. So I'd like to introduce you all to the host for today's call from HUD we have Jessie Handforth Kome, John Laswick, Ebony Madyun, Njeri Santana, and Larry Reyes. And with TDA you have myself, Ernie Hernandez and Sandy Patel.

As I mentioned, today this webinar is going to focus primarily on program income transfer procedures. We're going to talk a bit about the advantages and disadvantages of transferring program income so that if you're still considering whether this is the right route for you these tips may help. We'll go over some of the basics related to program income transfers particularly who can transfer program income and then just a recap of the full program steps. Before we get into more detail discussion of how you actually complete the request template and how you might use some DRGR reports to help you complete that template as well.

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After that we'll hit on some frequently asked questions but then we'll open it up to general Q & A so that you can ask all your NSP related questions as well as specific questions on things we presented today. And with that I will turn it over to John to help walk us through the advantages and disadvantages of program income transfer.

John Laswick: Thanks Jennifer, hello everyone. We're coming to you from your nation's melting capital where we're on our fourth day in a row over 100 degrees; so I know that's child's play for you in Phoenix, but it's pretty hot for us here.

Jessie Handforth Kome: Yeah but they don't get the humidity –

John Laswick: The humidity, I know but anyway we've – we may be a little melty brained at times but hopefully we'll get you through this. So you know we've been talking for the last few weeks about ways to get the close out and one of the big ways is to if you have what's left of your line of credit to get rid of your program income and transfer that over to the CDBG program. And so one of the things we want to kind of walk through today is some of the ideas that we've been having about one of the plusses and minuses of that and there's really no right answer and there's no sort of gun at the end of the track either. So you know there's really kind of no wrong answer but there's just you know better answers and maybe worse answers.

So the first principle is that you're not required to transfer program income. You can have an NSP program that completes all its activities, spends all its line of credit, meets the national objective and has program income maybe for another three, four, five or more years and operates as an NSP program and that's perfectly okay. We'd like you to close it quickly but you can keep running it as an NSP program as an adjunct to your CDBG program. You can take several transfers over a period of years if that makes more sense to you. There are I know communities that are working on multiple sources of funds for larger projects and you're not really sure exactly what you'll need, when you'll need it. And so you know you have some flexibility there. There is no expenditure deadline at this point. You've all met your expenditure deadlines as far as the requirements go. There's no – there are still funds and lines of credit and there are still pretty large amounts of program income in some places that need to be spent. But there is no outside limit on when that has to happen.

So it's a one-way street though; once you get – once you decide to transfer money from your NSP fund to CDBG you can't transfer it back; so you want to be careful about being sure that's what you want to do. And then as those funds transfer they take on CDBG requirements and they lose all their NSP requirements, which you know is maybe not such a bad thing. You're basically trading off so no longer would you have the 25% set aside, but then you would have a lower set of income limits for example. So there's – they you know, they become CDBG funds when you transfer them. Next slide please.

All right so these are some of the advantages we see that as I mentioned we want you to be able to spend your line of credit funds and close your grant out and this is – transferring these funds is one way to do that. And this allows you to close out your NSP grant. You would basically have to transfer all of your program income from NSP in order to clear the decks to get at that program income unless you – to get at that line of credit unless you have just a little bit of program income that you know you're going to spend on something. So you know you buy into a wider range of eligible activities with CDBG as your source of funds. You know if it's maybe more seamlessly

with your regular block grant program. So you know the larger principle amount of program income in your CDBG account means that you have a larger amount of public services and admin that you can fit into the caps. Although with the new accounting rules that we've been working with there is currently a requirement that you spend all planning and admin on program income in the year that the program income was received into your CDBG program. So you know a lot of these things have timing implications but even with a full year that might be difficult if you're transferring a lot of money. I mean you don't lose the money but you lose the ability to spend it on planning and admin.

And then you know – so it really is kind of an ideal scenario if you've got a CDBG project that maybe needs a little boost and finding and you know you can put that in there from your NSP and you put it right into something that you can spend it on quickly, that's the ideal. It doesn't always happen that way. Next slide please.

Okay so there are disadvantages and one of them – actually a couple of them kind of revolve around what the effect is on your CDBG program. So here we have to think about the carrying more than one and a half times your annual grant amount 60 days prior to the end of your program year, otherwise known as the timeliness test. But this will bump up your balance and it could push you over 1.5; so we'll talk about some ways to mitigate that but it's just something to be aware of. We will be able to work with you on that, but we still will need to see you get through it pretty quickly.

The other thing is you are giving up – I mean while you get a wider range of eligible activities you lose the ability to serve people above 80% of median income for example and a lot of folks were trying to do mixed income projects value that – you've given up new construction, you're giving up the ability to land banks, those are kind of the three big ones but if those are important to you then you might want to hold onto and keep at least some of that program income for those purposes.

And then it may result in a substantial amendment to your CDBG program. I would guess that it probably will result in a CDBG substantial amendment. It's hard to imagine a small enough amount of funds who are – an amount of funds that fit exactly into the activities that you're doing that wouldn't trigger that but that's not the end of the world but it's just something to think about. All right, next slide please.

Okay so the result of that, you want to think about timing the transfer and if you do that properly you can kind of come in the beginning of your program year instead of towards the end of it when that timeliness test is taken. And you know at least minimize the issues that you might have with meeting the timeliness test. Like I said we can work with you on this, we will work with you on this, we understand that you're not going to be able to spend it all right away but we've had really I think an increasing number of communities that are not making that timeliness test every year. And you know we're really not interested in pushing that any higher.

Jessie Handforth Kome: But we know that some of you will transfer enough money to set off your timeliness test and what we really are encouraging – we're adjusting our guidance right now and we're talking to the field staff is the defense grantees are going to say look I'm moving over a million dollars in program income in the CDBG program. I have to do an amendment and here's my plan for accelerating through and getting it done; so maybe you feel their timeliness test the first year, technically if we count the NSP program income that's now CDBG program income. But you have a plan already, you're working your plan and you pass the second year. It's really if you fail the second year that you get to be one of the problems that John is talking about that we really don't

want to increase those. So that's what you should think about is you're transferring program income, can you do what you did for NSP, accelerate and remove it. Get it under contract and ideally you know extend it or near extend it before you hit your second years test after you move it in CDBG. And the best way to do that is to have a plan when you make the request, you know think about it as a manager. How would you deal with a big chunk of money coming to CDBG and maybe you have a project that's been waiting in the wings or there's something but you need to not just transfer it and then try to decide what to do; think it through.

John Laswick: Next slide please. All right so a little bit more on amendments. So you know right out of the regulations and 91.505 if there's a change in the purpose, scope, location or beneficiaries of an activity or if it's a new activity then that triggers an amendment and if you think about scope or location or beneficiaries it seems kind of likely that your NSP funds could trigger that unless it's a nominal amount. So time though was to transfer with the action plan cycle and then you could do the amendment as part of that. And then coming in with the beginning of your program year also gives you more time before we start measuring the timeliness. And as Jessie said you can fail that test once and it's not – we send you a warning; it's only when you fail it twice in a row that you have to have an informal consultation and justify your holding onto the money. Okay next slide.

Now for some recipients this – if the sub-recipient agreement allows the sub-recipient to retain program income and use it for NSP eligible activities then the transfer of the program income to CDBG will also require an amendment to the terms of the sub-recipient agreement; so here this is sub-recipients that are CDBG grantees; so it could be a state sub-recipient, it could be a sub – it could be a member of a consortium, an NSP 2 consortium. So not only will you have to get approval for the transfer but you have to make sure that the sub-recipient agreement allows this. You can modify these sub-recipient agreements and these things were written in a time when we didn't anticipate the transfer of funds out of the NSP program. So this depends on your relationship with your grantee but those things are possible but they have to be congruent with your agreement. Next.

All right so sort of changing gears here we're going to talk about who can transfer program income. So we'll take you through a couple of charts. These are some kind of background ideas; so since most NSP grantees are state or entitlement CDBG grantees they can transfer NSP program income to their own CDBG programs no questions asked and that is probably what all the 50 or 60 or maybe 100 out of the 600 grants that we have. And in the NSP 2 process we have direct application by non-profits and consortia of non-profits and time lit communities. And so these get a little confusing and we'll try to untangle that for you. And then when we got NSP 3 the legislation the Dodd Frank Act actually gave direct NSP grants to 30 cities who are not direct entitlement communities, cities and counties – mostly in Florida, Michigan and California. And then the new rules also have implications of states of grantees; so let's go to the charts and see how this stacks up.

So as we said if you're a state or an entitlement city or an urban county you can transfer funds from your NSP program to your CDBG program at any time, you need to get permission from the field office and we're going to take you through what that entails. But there's no question that you could do it.

Now this group of NSP 3 grantees that I just mentioned there's 30 non-entitlement NSP 3 grantees, they can retain the program income for NSP uses or if you have an open grant with their state

CDBG program they can transfer into that open grant. If they don't have an open grant, if they had one in the past and they plan to have one in the future, they don't have one now then they are – they're going to have to continue to use it as NSP funding. I guess if they get one in the future they could transfer it at that point if there's still some left but it's got to be a live grant. Basically the principle here is we're looking for a live connection to an entitlement, NSP – entitled CDBG program or a state program. So we had some solo applicants that are non-profits and NSP to large – some pretty large grants. They have no entitlement connection and so they cannot transfer program income. However they're kind of working under different rules and these were set out in the program close out notice a couple years ago. What happens is that if you think of it as sort of three periods of time. There's the period before they close out, if any program income that they earn in the period before they close out is treated just like it was if they hadn't closed out. Still all full NSP rules and everything.

And then there's another period that starts the day they close out and runs for five years. And any program income that they receive during that period of time must only meet a national objective and be an eligible activity; it doesn't have to follow all the other rules. After that five year period if you still have program income coming into the program that you're still receiving it after five years then that money is called miscellaneous revenue. And that is basically exactly what it sounds like, you can use that for anything that you want. This is a – this comes right out of an OMB rule about non-profits and so you know, I don't know how much of that money is going to survive that long. It will be interesting to see but that – there are those three periods. Up to the point of close out to five years and after five years and they have slightly different rules for each period. Next slide please.

All right so this is a fun one. Mixed public non-profit NSP 2 consortia including consortia with entitlement and urban county grantees. And that was probably – so these are driven by the consortium funding agreement. So you have basically two choices, your lead member is either an entitlement or not and if they are an entitlement they can transfer their own program income to themselves and anything else is subject to the agreement of the parties in the consortium funding agreement as amended. If the lead members are non-profit transfers are allowed, if permitted by the agreement which may be amended. So that's from entitlement communities to CDBG grants; so again no money is going to be flowing from non-profits to entitlements or states.

And then finally transfers from non-profit members are not allowed and these follow the rules above for the non-profit NSP 2 solo applicants. And I know that we have some all non-profit consortia and they're going to fall into that category as well of 0-5 and the 5 and after; so next slide please.

All right, so this is probably generated more questions than – it's not as complicated as you might think but states have recipients they are typically the states funds through a method of distribution in units of general local governments, and they have a relationship with them and they specify whether they're allowed to keep program income from their CDBG program or not. And most of their NSP agreements I think kind of follow those terms; so if the sub recipient agreement says you can keep the program income then you can keep the program income.

Jessie Handforth Kome: The agreement that they have to go back to the states and the – the state is in the situation of being able to decide what to do with it.

John Laswick: Right. So if you have an active CDBG grant from the state –

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Jessie Handforth Kome: If you're a sub recipient –

John Laswick: If you're a sub recipient, right. So this would be through the state CDBG program like those NSP 3 that we talked about. And then you could transfer that money to the community CDBG program as well.

Jessie Handforth Kome: But you have a double permission problem. You have to get permission from the state and the state has to get permission from HUD; so it's just a question of if the state asks us that they're willing to give you permission. And this is another kind of bulk ask that we have anticipated could possibly be a bulk ask that we're going to ask to work that out. But if it's just Program Income on hand and you'd like to transfer to your existing CDBG grant program and you're a small city and non-entitlement or an entitlement but you've got the money from the state, you're going to have to go to the state first.

John Laswick: NSP a number of states looked around and found that their areas of greatest need were entitlement communities and they make grants to entitlements; sometimes with trepidation. I know for sure that some of them were not too confident about that but I think those probably worked out all right, but now those entitlement communities are sub-grantees of the space. So they can't just do what they want to do. They have to get the states permission to transfer that money back to their own CDBG program if they so desire.

Jessie Handforth Kome: Right and so for states who took advantage of the waiver to act directly and you are running your own entitlement style revolving loan fund; you are not going to be able to transfer that revolving loan fund as a revolving loan fund to CDBG because it was a statutory waiver. And you're going to have to – if you want to transfer that program income in the revolving funds in the CDBG program you're going to have to disband the revolving fund and move it to the CDBG program because revolving funds is regular CDBG operate differently than the ones that that are operating under that waiver that allows direct funding of projects in NSP; so that's something that if you're a state and you want to do something like that – really if you're a state and you want to transfer program income then – and it's going to involve altering agreements or something. Please, please, please come talk to your field office or send in a note to NSP questions outlining the case so that we can walk through it with you. We think there can be very, very doable but we want to make sure we document the steps for these things. They're relying on waivers that people are going to lose sight of in a couple more years when the program closes out.

John Laswick: Well we're curious how many revolving loan funds there are out there actually; so I'm betting not too many so –

Jessie Handforth Kome: I think a lot of people have been running them down – closing them down but we'll see.

John Laswick: So here's an interesting question I mean since you can't capitalize a revolving loan fund from grant funds, only from program income and if you have to shut it down an NSP and move it over to CDBG couldn't you just start it back up over there?

Jessie Handforth Kome: You could but it would have different rules because you would have to be making grants to local government or loans – no I think it has to be grants. The method of

distribution would be covered under the regular state CDBG method distribution. You would amend that to create the revolving fund and then it is possible but there are two kinds of RLF available in NSP and only one in state CDBG and all the state ones that I have looked at during the course of NSP were taking advantage of the waiver. So if there's one out there where you think it's compatible again talk to us we may agree with you, who knows crazier things have happened. We like agreeing with you.

John Laswick: Next slide please. Right, okay –

Jennifer Alpha: So for this section I think we're going to turn it over to Ebony and she's going to give us just a general recap of the program income transfer procedures. After that we will talk specifically about the request template and just so everybody has a quick little view of what that looks like, it is part of the program income procedures that are on the HUD resource exchange. You can find this in the file but just to take a quick look at it here on the screen you'll see that there's a number of blanks and attachments that need to be completed before you can send this template in to make your request. And we're going to be walking through each of these blanks and attachments to give you more detail on what it is exactly that you need to complete so that you can get your request approved most efficiently. Go ahead Ebony.

Ebony Madyun: Okay thanks Jennifer and good afternoon everybody. So as you all probably know or may not know, we released the procedures, the actual steps to transferring program income and these procedures go through how you're going to actually transfer program income from the DRGR system, how you're going to reconcile your program income, how you're actually going to be requesting the transfers from the field office and this also involves cancelling DRGR program income receipts. And then we move to sort of section II where we look at what you're going to be doing in the integrated disbursement information system, IDIS. There we're going to be adding our receipts, we're going to be editing and viewing receipts and we're going to view receipt accounts. What we're going to look at today because we've covered in previous webinars in more detail; we've covered how to reconcile that program income and we've actually covered the actual procedures in depth. So today we're going to be looking at number two here which is how to request that transfer from the field office.

So let's see here – one of the things that we want to think about when we're requesting from the field office or one of the things we want to think about when we look at these procedures and John and I talked about this before the webinar. We want to let you know that we put these procedures together and we can anticipate to some extent, some scenarios but there are some things here that may come up as you're putting – as you're actually going through this request; so we did, we put these together and you can anticipate certain things but everything may not be encompassed here. We also want to let you know that we developed these procedures with the idea of streamlining the whole process; so the idea behind these procedures is to make this as simple and painless and as straightforward as possible. That being said, Jennifer we can move to the next slide if we have not already.

It looks like we have, okay. So requesting the transfer from the field office. There are a couple of things that are going to happen up front. You are going to reconcile your program income in DRGR. Then here's where we come to the piece that we're really going to look at in depth. And all of these slides from here on out actually cover what's in that one slide that Jennifer showed you up front which is page 18 of the grantee procedures. So what we want to focus on here is the written request,

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what are we going to include in that written request and what that written request essentially addresses. One, you can only request to transfer program income, request to transfer program income that is on hand. So this one request will be submitted for the program income that you have on hand only. Future program income will need a separate approval if the grantee wants to transfer it to CDBG. So if you anticipate receiving program income over a period of future three months then you will need to submit a request for that future program income, it has to be on hand in order to transfer it.

After you have requested your program income and after you have – after you’ve received approval from HUD you will transfer that program income immediately after you receive approval. So that will happen right away and we want to emphasize that. And this is so that the program office can track it and so that you can also track it.

Jessie Handforth Kome: And I want to break in here again on the sort of developing policy front. If your transfer is approved but you have not receipted it yet on the CDBG side know that we will be keeping track of the approval letters and considering the approval to be the point at which we will start considering that program CDBG for purposes of looking at timeliness. And we know you can’t control the time when HUD approves it so we’re committing to do those approvals as speedily, as swiftly as we can. But just keep that in mind that its CDBG as soon as you request it and we approve but you need to get it receipted because then you don’t need to have a drug between when your request is approved and when you receive it because you’re supposed to use program income first. We’re not trying to set up an audit gauntlet or anything; it’s just a consideration of doing everything with all delivered speed.

Ebony Madyun: So thanks for that Jessie. I want to take a little bit to move back here to that first bullet which is after your program income is reconciled in DRGR. I think I mentioned this in the beginning of the presentation but if you want more detailed information on how to actually go through the steps of reconciling your program income in DRGR. We have put together two webinars, one webinar that actually goes through the reports that layout how to do that, how to reconcile your program income and then we have another webinar which is again provides that bigger overview of that larger overview of how to actually transfer program income. So we do have those two resources available for you.

John Laswick: And we are on the verge of having the DRGR office hours’ kind of working out the specific hours so that you will have some assistance there to help you through those complicated reconciliations.

Jennifer Alpha: They’re actually available this week – we’ve got some office hours going this week.

John Laswick: Then you’ll have to tell us how it works.

Ebony Madyun: So we can move to the next slide here Jennifer. So here again these slides, what we’re going to walk through are encompassed in four paragraphs. So what we want to see within these four – in this four paragraph letter is we want to see your grant number. You must identify the grand number from which you are drawing the program income from. We also want to see the specific appropriations so here you want to identify NSP 1, NSP 2 or NSP 3. The letter actually includes – this letter template actually includes a line where you can identify whether or not you are



a state, a city or a county; so you're going to populate that particular line. You're also going to identify and this is important here, the activity numbers associated with the NSP activities that generated the program income and this bullet comes specifically from the program incomes notice; so we need to see that activity number that directly generated that program income. One of the ways that you can do that with relative ease is you can look at your financial report 5E, and that's going to list all of the activities that generated program income and the receipted amounts to determine which activities you can transfer program income from. This report you can actually export this report and the activities from which PI will be transferred from and you can copy those into attachment A. Attachment A is actually an attachment that you are generating yourself; so that is attachment A and you will label that attachment A and there you will list out all those activities. And Jennifer if you want to say a little more on that on the next slide move there.

Jennifer: Sure this is a screen shot of a sample financial report 5E and as you can see here it's going to list all of your activity numbers along with the receipt number, the receipt date and the receipt amount. And this report if you take a look at the overall program income transfer instructions as well as the webinar from July it gives you some more information about how to use this report specifically to identify those receipts that you may need to cancel or edit in some way so that you can reduce the amounts of NSP program income transfer to CDBG. So this report is going to be helpful to you in a number of ways. As I mentioned you're going to use it so that you can figure out which receipts are going to be cancelled or edited so you'll need to pull it for that purpose. But if you pull it for that purpose then you're going to have all your activities lined up right here. And what you can do then is whichever activities you're going to choose to transfer program income from you're going to list those activities on your attachment A; so this is a handy way to just pull those activities out once you've exported it into Excel. And in micro strategies there's the bullet to just click on export. You can either do it from the main page where all the reports are listed, you can click export or once you're within the report you can go to the little icon at the top that looks like an Excel file and you can export it there. You can also export it as a PDF but I think Excel is probably the most useful.

John Laswick: So Jennifer if you've got a million-dollar balance in your NSP program income you just have to go through here and find – I mean there's any combination of million dollars' worth of receipts and program income is right; I mean there's no sort of finer tune than that is there?

Jennifer: No not really. I think the instructions direct folks to more than likely just transfer the most recent PI receipts first. So you know you go through this list, you can even sort your receipts by date if you want to. That's the great thing about exporting the report. You can do a lot to manipulate it to get the information out of it that you want. You can do those manipulations within CRGR as well but if you want to have it handy as a separate file you can export it. But that's right; I think the guidance just said you should try to reduce the most recent PI receipts first. And so that's exactly what you'd do, you'd look for your most recent receipts and then just keep tallying them up until you get to the million dollars that you'd like to transfer. And then you would identify which activities all those receipts came from and then those activities would be listed on attachment A.

John Laswick: Thanks.

Ebony Madyun: Okay so then here and again as I mentioned earlier these are all included in the letter, the template. You're going to identify the amount of available NSP program income that you have on hand. So that would be the amount of program income that you've receipted and drawn in

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DRGR and the remaining DRGR program income balance. So you're going to identify those two pieces. Here one of the – and let me actually clarify here; so here we're going through the amount of program income that you've receipted in DRGR. And a couple of slides down we're going to tell you about program income that's not receipted in DRGR. Again we're only covering this briefly; we have another webinar that goes more in depth into how to actually cover – how to – the details of these. So here you're going to be using financial report 5D and we've actually asked for you to include a copy of this report as attachment B; you're going to label it as attachment B. We would like you to include that with your written request to the field office. This is going to show how much program income you actually have in DRGR.

Okay Jennifer, did you want to say anything?

Jennifer: On this report you can see that it is a cumulative snapshot of your different program income accounts and so it can give you a more – a higher level view than that financial report 5D which is about your individual receipts. So 5D is going to give you the snap shot on your general account and let you know overall across your whole general program income account this is how much you've received and disbursed and what's remaining; so that gives you a really good indication of how much PI you have on hand that's available to transfer and so this is maybe the first place you want to start in pulling reports because this will give you a sense of how much you've got there that can be transferred. And then you can look at 5E and take out the receipts that would total up, for instance in this example if you were transferring the whole general account balance it would be \$410,000 and some odd change there.

Ebony Madyun: Okay we can move to the next slide. So again you're going to indicate how much you're requesting to transfer and then how much will actually be remaining in DRGR following the transfer. You're also going to be indicating the date that you're requesting the transfer and again these fields are all in the actual request template. And I think we can move to the next slide here.

So here as I mentioned earlier here is where we're going to request the amount of program income that is not been receipted in DRGR. You're going to be using your internal records to confirm here. Here's where you want to be talking to your financial folks. You want to be looking at what you use to actually record your internal tracking record using either your general ledgers or using whatever system you have to record – to track your financial records. You're going to indicate those in the request; so the amount you may not have any program income that has not been receipted in DRGR. So you aren't necessarily required to receipt program income in DRGR.

Jessie Handforth Kome: Once you made the decision to – you do have to receive program income in DRGR but you're not required once you made the decision to apply for a transfer, once we got out there you can transfer. From that point until you actually get the transfer accomplished you can hold the money but only for that brief period. Otherwise of course you have to receipt your program and comment in accordance to the regulation and all. We just didn't want to make it harder for you to be unreceipting stuff that you already knew you were going to transfer.

Ebony Madyun: Okay thanks. As in the case where you're actually going to be transferring program income that you receipted in the DRGR in this instance you are also going to be documenting the amount that one you have not receipted and one that's going to be remaining following the transfer. You are going to include this information as attachment C, so here you could potentially have attachment B and attachment C or you could just have one or the other.

John Laswick: You told me it was four paragraphs.

Ebony Madyun: Broke it up into little tiny bits and pieces. Okay attachments, yes – we're hoping this all works.

Jessie Handforth Kome: She has all the individual things between the plus and minus signs and it comes out equal, that's the rule.

Ebony Madyun: There you go. Okay. So here we're going to be looking at our program income reconciliation records; we're going back to that and we are going to confirm in the template what you're saying here is that you have reconciled your internal accounting records with any program income on hand that is not recorded in DRGR. And Jennifer is going to go through some of the reports here but what we're talking about is the attachment D and all we want to know here is think of this as a conversation with your CPD representative. And what we'd ask the CPD representative is to go through and look at each one of these line items; so you want to make them as clear as possible. So here we've given you some reports – Jennifer is going to go through those. But in this attachment D what we want to see here is that you've gone through and you've found your records and you know how much program income you have on hand and how much you've recorded in DRGR and how much you've identified in this particular request. Jennifer did you want to add a little about that financial report 7B? I think we talked about 5E.

Jennifer: Yeah so two reports that are going to be helpful to you when you're trying to reconcile your program income would be these two reports here, financial reports 5E and 7B. 5E we talked a little bit about a few minutes ago. This is the report that lists out each and every program income receipt by activity. So you're going to need that for a number of reasons and that's helpful because you can compare it receipt by receipt to your internal records. But if you want a sort of higher level snapshot about the financial aspect of each activity you can pull financial report 7B and this is a general report. Everybody who works in DRGR loves this because it breaks out each and every activity, it provides you with the budget activity, the obligated amount, the grant funds that have been drawn, the program income that's been drawn, the program income that's been receipted and then also the amount of expenditures that you recorded in your QPR. So it gives you a really nice picture of everything related to the finances of that activity. And so what you want to do is take the report 7B and make sure that it reconciles with your internal records for that activity. So have you receipted all the program income that you have on your books? Does it show up on financial report 7B as program income receipted for that activity. And you know there are other aspects of reconciling on this report like checking your expenditures and things like that against your draws, but for our purposes here today we really want to make sure that what you've done is receipted all the program income that you have on your books for a given activity making sure that you see it show up on financial report 7B under the PI receipted column. And then you can also check out to make sure your disbursement that had been noted in DRGR match your financial records as well.

And then once you have all of that information reconciled so your internal books match what's in DRGR then you can take evidence from your internal system and these reports that you use to do the reconciliation and include them as attachment B. One note is that if you do find an issue with the amount receipted on report 7B if you see that you have more PI on your books or less than what is shown in DRGR as receipted for that activity then you could go into your individual PI receipts and use financial report 5E to try to figure out where that discrepancy lies. So that's why both of

those reports are sort of helpful for this process, but I would say that starting with 7B is the right place that will allow you to make sure that everything you have on your books is PI earned has actually been receipted, except for that amount perhaps that you're withholding. As Jessie was saying if you decided that you're going to transfer PI and maybe holding from that and not receipted it, that's fine but you want to make sure that anything you think you receipted actually showed up in DRGR.

Ebony Madyun: Okay. All right, thanks Jennifer. So we can move to the next slide here. So this slide again going back to that, thinking about what your CPD representative is going to be looking for and what we've talked about in some of the other webinars and what we hopefully have given to in a straight forward way in our FAQ's. Here what we're looking for is that LH25 requirement. We want to see that you have demonstrated that a minimum of 25% of program funds will benefit low and moderate income households of 50% of AMI; so this is what we're looking for here. And we also want to see that program income will be used for administrative – that no more than 10% of program funds and NSP program income will be used for administrative purposes. But

I really want to highlight the first part of this bullet because we've got a section in our FAQs that's going to help you go through the steps to actually looking whether or not you've either met this requirement or that you will meet this requirement so we want to see that you've given some thought that you've met it or that you will meet it. It's not required that you meet it at the time but we do want to see that you've actually give some thought and some analysis as to whether or not you've met it or will meet it. Questions 10, 11, 12 in our July 11 FAQs go through these steps very simply and straightforward. We can move to the next – actually go back, thanks John. We can go back to that slide.

So compliance with the LH25 set aside and the administrative cap this should be performed after you subtracted the NSP program income that is proposed to transfer to the program. And Jessie is very good at explaining this.

Jessie: Basically you start with your balances of all these sub accounts. The reason the slide about identifying the program income comes – the two slides come before this is take the program income that you propose to transfer, the amounts are made up, the amount you receipted in DRGR and amount that you haven't and subtract that from your NSP program as a whole. The funds that you spent and the funds that you still have programmed and have not yet expended that you're going to leave in NSP. Then once you've done the subtraction go look at the NSP program that remains and see if it's compliant with the 25% or will be compliant with the 25% when you finish whatever projects are underway. And you check to see whether you will be compliant with the NSP admin cap on that balance of the program that stays in NSP. If it will then you can make a request to the field office and if it won't or if it's an actively in question you're cutting it really close or something then you might need to have a chat with your field office about what your options are, but we will not approve a transfer if when we look at that you will fail the 25% set aside and we probably won't – we will fail the admin cap.

John Laswick: There's one other category of funds that won't be subject to transfer and that is program income that is obligated to sell you –

Jessie Handforth Kome: Right –

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John Laswick: Those are considered part of your program that stays NSP and they'll be measured – you'll be measuring those for the 25% set aside too but – so this is what we talked about earlier was to say these funds become CBDG funds. They don't have to carry the NSP requirements and the CBDG requirements once you take them out of NSP then they just meet CBDG requirements.

Ebony Madyun: Right and we kind of mentioned this earlier but once you have transferred those funds into IDIS then you must draw that program income before you can draw from your line of credit in IDIS. So that's another piece that's actually going to help you to remember that you need to draw funds – those funds as promptly as possible once they've been receipted into IDIS. So we are going to move here to the actual – this is again the LHS 25 piece what we have – and I'll just quickly mention this if you can provide additional documentation what we'd ask for in the request template is that you actually indicate to your rep that you perform this analysis, that you will or will not meet it. What you want to do is help your rep out as much as possible to be able to understand that you've done this analysis and that you either have or will meet this. So again thinking of this document and thinking of this template as kind of something a tool to help you tell the story to your rep. So Jennifer we can move to the next slide after LH25.

So once you receive field office review and approval and we have put together a template for the field office they will send you this template and the template – this notification rather will indicate that you either have been approved or that the request was not approved. So in the case that your request is approved what you're going to do is you're going to scan and upload HUD's notification to the administrative activity area in the DRGR action plan module as documentation that – of approval. The reason why we actually asked for this to be uploaded to the action plan is one, we want to make it easy for you to be able to go back and find out when did you actually make a request, how much was requested and it will all be right there in that action plan. So you're going to choose the admin activity and then I think Jennifer has a screen shot here for us to actually see that. So you're going to go to the edit activity page two, you're going to click additional documents and Jennifer we can move to the – so we can show that – so you're going to click additional documents and they're you're going to upload HUD's notification authorizing this transfer. Jennifer I don't know if you wanted to add anything to the actual upload process here.

Jennifer: Yeah so when you go into your action plan you know how your list of activities there and your action plan you're going to choose the admin activity. And once you choose the admin activity you know it will open up to the edit activity pages. So you're going to skip the first page and you're going to click continue to the second page. And once you get to the second page at the very bottom of that second page you're going to see this box that says supporting documents. And that's where you'll find that add additional document link. And of course you're going to have completed your location description and activity description fields here. They're blank, so that we can show you what the screen shot looks like but of course yours will be fully populated and beautiful, right? And so once you click on add additional documents it's going to take you to another little pop up that is going to look like this where you can actually click browse. Once you click browse it will allow you to choose a file from your computer and so you'll be uploading that approval that you received from HUD. Once you choose the file you'll see it sort of working so that it's finally uploaded and once it's finally uploaded and then once it's finally uploaded that document name is going to show on this little gray box here. And then all you need to do is just say the activity and then that documentation will be saved here.

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Just a note that this supporting document feature works on any activity for any kind of document that you like to preserve as a record of your action plan and there's also the same feature in your QPR. But we're going to use it for this purpose to make sure that you are approval from HUD for the PI transfer is properly attached to your action plan and documented here.

Ebony Madyun: Okay and a note here about uploading this document to your action plan. You're actually – this is going to require that you open your action plan; so your action plan will be opened and it will go to the modified – it will go to the modified status. So this is going to require that your CPD rep actually approved that action plan prior to being able to go in and approve your QPR; so please keep that in mind as you're actually making these requests and coordinate with your CPD rep. So we're going to move here to the next slide which is our PI transfer. Again this is – we want you to document in your QPR, one HUD's approval that you received it, the date of the approval, the amount of program income that's approved for the transfer and then again the actual activity numbers associated with the NSP activity that generated the program income. You're going to put this information in the overall narrative section of the QPR; so you uploaded the approval and you've documented your QPR.

Here we kind of – we have a slide. I think this is one slide here that's going to provide some resources. Jennifer if you wanted to cover some of these – we've got quite a few resources available and just the start.

Jennifer: This is just letting you know that – and reminding you again, and we said it a couple times but once the program income transfer is approved you should promptly transfer that program income to IDIS. And the following resources can be helpful to you in completing all of the steps that are required – those steps that we talked about today as well as any other steps required and actually cancelling the receipts in DRGR, or creating the receipts in IDIS. And so if you take a look at the program income and transfer instructions they are at the HUD resource exchange at that link. That gives you a step by step instructions, it includes screen shots for how you do the different DRGR and IDIS actions. And then we also had a webinar on July 19 that we mentioned before about all the different steps and we actually walked through those screenshots and talked about them in more detail. So going to do the transfer make sure you become familiar with those instructions of course, you can always go to that webinar for a bit of extra help.

All right and with that I think we've got some FAQ's that we want to go over.

Ebony Madyun: And we're going to leave time for more conversation FAQ's but here are some of the standard FAQ's that we've developed and you'll find more of these in the previous webinars as we mentioned but will HUD approval be needed each time an NSP program is receipted into IDIS or will one approval cover all future transfers?

So the approval will cover the PI that is on hand at the time of the transfer request only. So you will request and it will only be for that program income that you got on hand either receipted in DRGR or in your local program accounts. So we're working on and Jessie has been helping out here, but we're working on identifying how we can allow grantees to make a request for future strings of program income so that you don't need to go through this process each time.

Jessie Handforth Kome: Right and it's going to be a fairly easy change for things like revolving funds where it's a financial transaction but it is very clear now when you've been asked this

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question sort of in this context that you will not be able to transfer land purchase with NSP into the CDBG program; this is only going to be about cash resources one way or another. So if you bought a piece of land with NSP funds you need to meet the NSP requirements for the use of that land. And then if you then sell it then the program income you get back, if you've met all the NSP requirements the program income you'd get back you could then apply to transfer to CDBG. But there are different statutory and regulatory provisions that talk about land and cash resources and so we're dancing through that last little hoop and we do mean to allow like if you have loans that you're going to get payment on, one of the questions was you know we'll be getting payments on a loan for the next 15 years can we just say identify the payments we expect and ask for approval for that? Right now you cannot but we do want to alter the notice to allow that identification at the time and we're working on that.

John Laswick: A related question, so I've got an NSP I and an NSP III program income that I want to transfer, do I need a separate transaction for each one of those?

Jessie Handforth Kome: You can put them both in one request but you would have to identify for each grant separately because the field office is going to have to look at each grant and see the funds from that grant or the program income assigned to that grant moving. But there's no reason they can't go into a single request if you have program income on hand for more than one NSP round. And just make sure you identify the grant and the program income that attaches these two grants.

Ebony Madyun: Okay.

John Laswick: Well so we've talked a little bit about this will HUD waiver extend deadlines for meeting the 1.5 ratio because of the influx of NSP program income. And technically we can't waive that but we will work with you – in effect we've got language in there that this second word that says that HUD can take into account in the original draft now it says HUD will take into account because we're putting that into a document that gives us a little flexibility there, but the bottom line is we want to see you be able to move that money in the next couple years. And so the more convincing you can be the more likely we are to approve a large transfer.

Jessie Handforth Kome: Right and the other thing to think about is that for a few of you you also are CBDG disaster recovery grantees which in CDBG-DR also has that same waiver that allows transfer to the CBDG program in order to meet expenditure deadlines for the most recent appropriations have that waiver. And we will be allowing those grants usually dwarf the regular program; so we'll have the same consideration. What we're basically saying is that they made the amount that may get looked at or will get looked at and the timeliness test. But when we consider the corrective action we're going to take a different view if it was the result of an NSP transfer at least for the first year through that the additional funding. It's a really tough problem to have more CBDG money. I mean you know a lot of people – wish they were in your shoes.

Ebony Madyun: So do I need to enter addresses supporting information for all addresses in DRGR? Yes. You should enter all of these – all addresses should have at a minimum a start and end date of affordability period; so you're going to want to go back if you haven't already recorded that information in one place and look at the start and end dates for your affordability periods for all of your agreements or properties, however you documented that information.

Jessie Handforth Kome: It wouldn't be NSP if we didn't have an exception.

Ebony Madyun: Okay.

Jessie Handforth Kome: NSP I didn't have to use properties for housing. So if they use that property for something besides housing of course there's not a continued affordability piece; so this is for all properties that have a continued affordability period, that applies to them. And for NSP II and III grantees just tune this out, go lalalalalala because everything you're doing has housing, right?

Ebony Madyun: Thanks for that Jessie and this is a great step to go through in terms of looking at approaching close out, if you have not gathered and collected this information and have it in one place this is the part of moving you towards that clean up and close out as actually putting all this information in one place.

Jessie Handforth Kome: And there's a template for getting all your addresses in to your QPR, so no excuses. And the system will check and make sure that we can map them.

Ebony Madyun: Okay so we're moving on to the next slide here. So after close out what must a grantee update over time with respect to the affordability information in DRGR? So here what we want to see is that you're reporting on each property annually after close out and you can find this one in the close out guide as well as to the close out notice. You're going to find what we're looking for here; so you're reporting annually. The updates on the information will include the affordability period for the property, for this property is complete. So the home is sold and X amount is recaptured so that's just kind of an example there.

Jessie Handforth Kome: These are possibilities and it's going to be short and sweet in other words.

Ebony Madyun: Right.

Jessie Handforth Kome: Until you're out of the affordability period and then the reporting requirement will fall away and gradually you will no longer have any properties you're talking about. The longest things I think right now we think the longest things are going to be the land banks because their 10-year period starts at grant close out with the data from that agreement. And I think we're not going to have too many things that run longer than that, HUD in California where I heard that they 50 year – and we may write ourselves out of that – out of that at some point but we haven't done that yet.

Ebony Madyun: We do plan on having a webinar that's going to look at this and its kind of a life after close out so it's going to go into what these scenarios could look like and then go into some of the land bank questions that we've had come up; so look for that on the horizon. So we took a look at this question and we went to look at the information that needs to be provided on land bank properties at the time of close out, including the information that you need to put in DRGR. And so here we went to our NSP close out guide and we saw that there's three pieces, these are the main three pieces and there's in some cases little sub-requirements under each one of these but the big pieces are that you're going to list all the properties in the land bank, you're going to include the address, you're going to describe the property, you're going to define the specific use for each property for which each property is intended to be obligated. And then you're going to project out a



time for disposition, a time for spelling that property that the actual plan for that property. And here you can go to page 31 of the NSP guide, close out guide.

We actually just to let folks know that we're putting together some other questions related to land banks. We haven't had as many of these questions come up but here are some that have come up and we've been asked if land bank properties can be transferred to IDIS following NSP close out and I think Jessie mentioned this earlier. No they stay a part of NSP until they are disposed of so you cannot move land bank properties into IDIS following close out. And John has information about this but under CDBG you are not land banking properties. So Jennifer if you wanted to take this through some of our resources that we put together here?

Jennifer: Sure before we hop into the Q & A and we've got quite a few questions that have come in already and we want to give you some resources that you can look to as you're thinking about program income transfers and close outs and NSP generally. So as we mentioned before there is a general list of program income transfer FAQ's but there are also many NSP related FAQ's that are available on the HUD resource exchange and so if you go to the HUD resource exchange to this link here you can search for all kind of things you might be thinking about related to NSP and see if there's already a question – an answer out there for you on the website. In addition to that we're reposting here this link to the PI transfer instructions. Again it's really important that if you're interested in doing the transfer you review these instructions carefully because it's going to give you the step by step instructions for what you need to do in DRGR as well as in IDIS in order to complete your transfer.

We've got many general NSP resources on the HUD resource exchange you can go there to pull up all kinds of information that's been put out over time about NSP. Specifically if you're looking for close out guidance there's a whole page on close out guidance that includes the close out notice as well as the close out guide. That kind of walks you through in a more user friendly way all the different pieces of close out. This close out guide one thing to note there is that this was written before the program income transfers were approved obviously and so it's not going to contemplate at this time the program income transfer option. Other than that the close out guide is still applicable – it will be updated to better explain this option to do program income transfers, but as of right now it's not in there so just keep that in mind.

There is a wealth of NSP webinars – how many webinars did you guys do back in the day?

Jennifer: Many, hundreds I think. So there's lots and lots of webinars. If there's questions that you're itching to have an answer to there's probably a webinar about it. You can check out all the webinars there including the most recent webinars that we've been doing related to close out and program income transfers.

Since the program income transfers is very closely tied to DRGR and IDIS, we wanted to give you some resources for these systems as well. There is a specific DRGR section of the FAQ. If you go into this link here you'll see very specific FAQ's about DRGR. In addition within DRGR if you're actually in the system the bottom left hand menu there is a link that says FAQ and you can click on that link and go right to the FAQ's from there as well. There's also a really wonderful updated, beautiful looking user manual for DRGR, brand new for 2016 so this is going to give you step by step guidance for all the different functions that need to be completed in DRGR and is broken out

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by module or you can download the entire thing which I think is something like 300 pages, but it's a wonderful resource.

And then we have here the link for the IDIS training manual as well for CDBG entitlement communities and so if you're looking to get some more guidance on how you receipt PI into IDIS once you've gotten the approval for your transfer then you can go into the IDIS guide here and get some help there. As I mentioned in the transfer instructions there are step by step screens and there's also a walk through in that July 19 webinar for that receipting process.

And if you still haven't been able to find your answer after all of those resources there is the ask a question feature on the resource exchange. There are pools for NSP policy questions and then specifically for DRGR and IDIS. So if you have a question that you can't find an answer to you can go ahead to this link and submit your question and an expert will answer it within a few days. It's always helpful if you're working on a DRGR IDIS question to include some screen shots so that whoever receives your question has a better sense of how they can help you troubleshoot. There's also the NSP questions mailbox and this mailbox will allow you to send a question directly to the folks there, our hosts today and they'll be able to get you an answer quickly to any NSP related questions particularly those related to close out here and program income transfers.

And if you're really stuck and you feel like you need some one on one technical assistance you can request TA through the data assistance link on the HUD resource exchange, just describe what your needs are and it will be submitted and it will be reviewed and possibly approved for direct technical assistance with a TA provider. And with that we will move on to getting some of your questions answered. We've got a bunch of questions that have come in already. One question asks is it known at this time whether the program income transfer will be set up as a separate funding line in IDIS similar to how CDBG was done. This would assist the grantees in tracking the 1.5 deadline for expenditures.

John Laswick: I don't think it will. It becomes part of CDBG program income; it's not a separate line CDBG accounts.

Jessie Handforth Kome: It will just go into the pool of receipted program income and have no differentiation markers whatsoever; so your local accounts need to have a journal entry or whatever you use to do a transfer locally so you'll reconcile.

Jennifer: Great, thank you. Question asks once I approve the transfer of program income, can the program income sit in NSP until we are ready to transfer and spend it in CDBG?

Jessie Handforth Kome: No, if HUD approves it you need to move it all to do the transfer into IDIS. Have a plan and know how you're going to handle getting it out of DRGR and into IDIS promptly after HUD sends you your letter.

Jennifer: Thank you.

Jessie Handforth Kome: It can't just sit there. It will just confuse everybody.

Jennifer: Indeed. Okay this refers back to slide – so let me go back to this slide that's being requested. So this is related the material we covered related to who can transfer, program income I

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believe. So here on slide 11—there you go. The question is for non-profits with PI referred to NSP II only what about NSP I history?

John Laswick: Well I mean the general principle is that if you're a non-profit you can't transfer it because you don't have a CDBG direct grant from us. So if you're a non-profit at NSP I or III you're a sub-recipient to a unit of government that most cases is an entitlement city, county or state. And the – you know chances are you're going to be able to either retain that program income for your use or your grantee, your who gave you the funds is going to require it to be returned. But it won't ever become CDBG funds if it's in the control of the non-profit.

Jennifer: Great thank you. For future PI transfer permission such as PI being received from an amortizing loan on a monthly basis for 20 years, can one request be made for all 20 years?

John Laswick: Not yet. We're planning on that. It's going to take us a small notice revision; it should be available in a couple months so we're on it. I mean if Jessie had her way we would have it now but –

Jessie Handforth Kome: It's really frustrating –

Jennifer: Another question, as a state agency we do not have a CDBG program. If we want our staff to be able to transfer their PI to their CDBG program who is responsible for getting the approval for them? Would it be approval for each sub?

John Laswick: I've seen some states that have more than one agency that administers CDBG and NSP; this doesn't quite sound like that though.

Jennifer: I think this question is asking so say a state has many sub-recipients and some of them are CDBG entitlements themselves and the state wants them to be able to transfer it to their own programs, would the state have to ask for the approval on behalf of the sub?

John Laswick: Yes, the state is the grantee; so the state would have to –

Jennifer: And then – okay great so the state is the grantee. So the state asks for the approval and do they need separate approval for each sub or do they make the approval – separate requests for each or can they put it all in one request?

John Laswick: I don't know that we've figured that out but I don't – I can't imagine why we would want to put them all together. It just sounds like trouble. But let us think about that some more but I suspect it would be an individual request for entitlements. Sorry.

Jennifer: Okay great. Is there a way to see what receipts still have money left on them? In other words if you receipted a number of receipts and they total \$100,000.00 but only \$95,000.00 has been dispersed, can you tell what receipt or receipts would have the \$5,000.00?

Jessie Handforth Kome That's going to hurt your brain, isn't it?

Jennifer: Yes. That indeed would hurt your brain. And I think this is you know, part of the reason for just taking the more recent receipt is that it sort of avoids this, but I think that as long as you are

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not trying to transfer more than you've drawn in PI you're going to be okay because there will be enough PI remaining to cover whatever draws has happened.

Jessie Handforth Kome: Taking the most recent receipts is consistent with generally accounting principles because you are using program income as you draw, which means the older money is you know, getting used as it goes and it's always going to be most likely that the most recent receipt is the one where the balance is. If you start doing the math and you add up from you know, you logged in the first of the month and the second of the month and the third of the month and you had a draw on the fourth of the month and then you logged in on the program income receipt on the sixth of the month; it's the sixth of the month one that's going to end up having the balance if you did that intervening draw. So it's like logical but we don't have a tracking mechanism for each specific dollar in DRGR.

John Laswick: You're looking at it in aggregate here so you don't have to figure out exactly where it's coming from as long as you know you have \$600,000.00 left and then you just back into the number of receipts that you would take to get that starting with the most recent. It doesn't matter – they don't have to match up to the exact source of those funds.

Ebony: And we've got some really simple examples in the procedures, a couple of different scenarios that we walk through that give you sort of the different combinations that you can have. So take a look at those procedures and also the previous procedure webinar should help you.

Jennifer Alpha: Great questions. So please confirm if we have program income from both NSP I and NSP II can we transfer either or both to CDBG?

John Laswick: Well it must be an entitlement community; so you can transfer either or both, it's your choice.

Jennifer: Is there a minimum or a maximum to the amount that can be transferred?

Jessie Handforth Kome: I'm not doing all the work for a dime, but no we haven't named minimums or maximums. We will – if you're transferring a very large amount you want to sit down and have a chat with your rep about you know can you really do that and manage your CDBG timeliness in a reasonable way. You don't want to – but you may decide to do a very large transfer anyway because there's a CDBG reason that can – project that can use it up. But other than that, that's the only caveat we're really putting. You don't transfer minimus amounts which are \$25,000.00 and less; that's all you need to do to get to close out. If you have less than \$250,000.00 or so and you can't get another whole unit out of it, it doesn't make any sense in your market and I know we have markets like that then transfer that amount – you can do a lot with that in CDBG.

Jennifer: Great. If you're a non-profit lead grantee within entitlement consortium members one are you responsible for transferring the PI for the entitlement members and two, once the PI is transferred will the non-profit no longer need to be involved?

Jessie Handforth Kome: You are not responsible for the transfer but you must make the request. You have to look at your sub-recipient agreement or consortiums lending agreements to make sure that works. The entitlement would do the transfer; you need to follow up and make sure they did it and you're doing to have to do the work in DRGR. But once it's transferred you're off the hook.

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Jennifer: Great. Let's see somebody asks where do I find the template, just mentioned that helps us get all the info in one place? And so you'll look to the PI transfer instructions that are on the HUD resource exchange and the link was provided in the slide a number of times, that template is within the instructions but page 18 Ebony, is that right?

Ebony: Right, the last page.

Jennifer: When – okay so let's see, I think that might be our last question. Let me make sure we got everybody. It appears that all the questions have been answered. Somebody asked when will the slides be available; the slides should be up on the resource exchange. On the notice that announced the webinar there is a link that says click here and resources will be posted when available, when you click that link it should take you to the page where the slides are posted. So go ahead and check that out. And that I think is it. Those are all the questions we have for today.

John Laswick: Okay. Most of our audience stuck with us; thank you. And we appreciate that. And we will be back with another webinar in September.

Jennifer Alpha: The next webinar is scheduled for September 13, likely to cover NSP close out topics. Just a reminder that once you close out of this webinar you will have a survey link that pops up. We appreciate any feedback on the survey. We always like to hear what worked well and what we can approve upon and with that we'll wish you all a good day. Have a great afternoon.

John Laswick: Thanks Jennifer.

Jessie Handforth Kome: Thanks Jennifer.