Q: Why must HOME PJs, which are permitted to determine the start date of the program year for their HOME and other CPD programs, meet their HOME match obligations based upon the Federal fiscal year (October 1-September 30)?

A: Section 220 of the HOME Statute requires each PJ to make contributions on a Federal fiscal year basis. HUD has made several attempts to obtain a statutory change to allow compliance with the matching requirements to be measured on a program year basis. The Department will continue to pursue this legislative amendment.

The match contributions must total not less than 25 percent of the funds drawn from the PJ's HOME Investment Trust Fund Treasury account in that fiscal year, excluding certain expenditures that are not required to be matched. These include administrative/planning costs; CHDO operating expenses; CHDO capacity building; CHDO site control, technical assistance and seed money loans for projects that do not go forward; fiscal year 1992 HOME funds; and amounts provided from sources other than State HOME funds to make up the shortfall between a local PJ's allocation and the threshold amount (24 CFR 92.102(b)).

Each Field Office must use IDIS to determine the fiscal year match liability of each of its PJs. This data is contained in report number CO4PR33, which displays a PJ's total fiscal year disbursements, those disbursements requiring matching funds, and the match liability amount. In turn each PJ must submit a HOME match report (form HUD-40107-A) as part of its Consolidated Annual Performance and Evaluation Report (CAPER). Field Offices must determine compliance with the matching requirements as part of the CAPER review. Because most PJs' program years do not correspond to the Federal fiscal year, the Field Office must review the two consecutive CAPER match reports which overlap the Federal fiscal year. The data can easily be extrapolated from the match reporting form, and match contributions made during the fiscal year can be accounted for. In this way PJs whose program years differ from the Federal fiscal year are not required to report match contributions separately from other program reporting.

PJs must maintain a match log to record their contributions (92.508(a)(2)(ix)), and Field Offices are urged to develop a tracking system which records the fiscal year data.