



# PR26 CDBG Financial Summary Report Troubleshooting Guide

March 2017



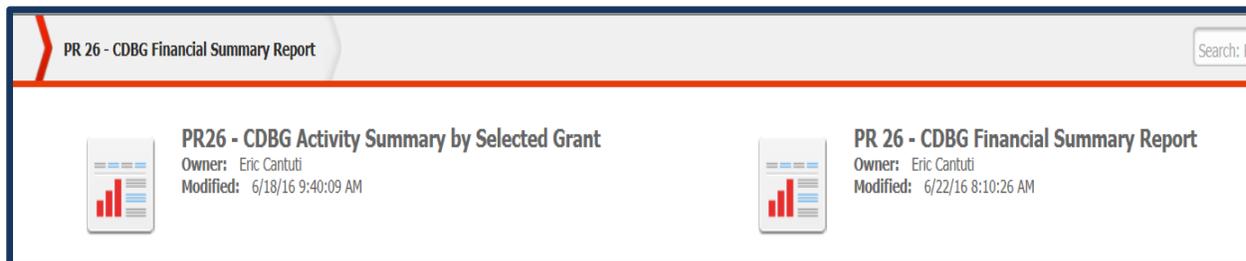
## PR26 CDBG Financial Summary Report Troubleshooting Guide

This troubleshooting guide is designed to assist in the accurate review and submission of the PR26 CDBG Financial Summary Report (PR26). The PR26 is submitted annually to HUD by CDBG entitlement communities, Hawaii Counties, and Insular Areas at the time of a CAPER submission. The PR26 is used to determine if an entitlement grantee has remained in compliance with the primary objective of the Housing and Community Development Act of 1974 (HCDA) which is to ensure that CDBG funds are primarily used for the benefit of low and moderate income persons. Just as importantly, the report is also used to determine if the entitlement grantee has remained in compliance with the limitations placed on planning and administrative costs and public service costs.

	Office of Community Planning and Development U.S. Department of Housing and Urban Development Integrated Disbursement and Information System PR26 - CDBG Financial Summary Report Program Year 2015 Athens , GA	DATE: 07-01-16 TIME: 12:48 PAGE: 1
<b>PART I: SUMMARY OF CDBG RESOURCES</b>		
01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR		0.00
02 ENTITLEMENT GRANT		1,208,687.00
03 SURPLUS URBAN RENEWAL		0.00
04 SECTION 108 GUARANTEED LOAN FUNDS		0.00
05 CURRENT YEAR PROGRAM INCOME		29,074.99
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)		0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT		0.00
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT		0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE		0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)		1,237,761.99
<b>PART II: SUMMARY OF CDBG EXPENDITURES</b>		
09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION		606,463.41
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT		0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)		606,463.41
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION		193,381.98
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS		0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES		0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)		799,845.39
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)		437,916.60
<b>PART III: LOWMOD BENEFIT THIS REPORTING PERIOD</b>		
17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS		0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING		0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES		606,463.41
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT		0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)		606,463.41
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)		100.00%

## THE TWO PR26 REPORTS

Effective July 2016, IDIS offers two separate PR26 reports: PR26 – CDBG Financial Summary Report and the PR26 – Activity Summary by Selected Grant Report.



- **PR26 CDBG Financial Summary Report:** This report is the original PR26 report. It documents a grantee’s compliance with the low to moderate income benefit requirement, the amount obligated and expended for public services, and the amount obligated for planning and administration for the selected program year.
- **PR26-Activity Summary by Selected Grant:** This report became available on July 25, 2016. It documents the grantee’s compliance with the amount of CDBG funds expended for planning and administration. This is a new requirement under §570.200(g)(1) as a result of grant based accounting being implemented. This report is designed to provide information for 2015 origin year grants and onward.

## THE COMPONENTS OF THE PR26 CDBG FINANCIAL SUMMARY REPORT

The PR26 Financial Summary Report contains five distinct sections. Information in each section is generated from data entered into the IDIS system throughout the program year as well as information provided by the grantee. The five sections of the report are as follows:

1. **Summary of CDBG resources:** This section identifies all of the CDBG funds available to the grantee during the program year.
2. **Summary of CDBG expenditures:** This section identifies all of the CDBG funds expended by the grantee during the program year.
3. **Low to moderate income benefit:** This section calculates the amount of CDBG funds expended for activities benefitting the low and moderate income benefit national objective during the grantee’s specified certification period. This information is used to determine whether the minimum threshold has been met.
4. **Public services calculation:** This section calculates the amount of CDBG funds obligated for public service activities during the program year. This information is used to determine whether the grantee has met compliance with the public services cap.

- 5. Planning and program Administration Cap Calculation:** This section calculates the amount of CDBG funds obligated for planning and program administration activities during the program year. This information is used to determine whether the grantee has met the compliance with planning and administration program year obligation cap.

**THE COMPONENTS OF THE PR26 ACTIVITY SUMMARY BY SELECTED GRANT REPORT**

The PR26 Activity Summary Report groups activities by grant year and activity type. Information in each section is generated from data entered into IDIS. The report can be generated for a single origin grant year or multiple origin grant years. This report can be used to determine if no more than 20% of any origin year grant has been expended for planning and program administrative costs.

Total Grant Amount for 2014 Grant year = \$1,269,701.00													
State	Grantee Name	Grant Year	Grant Number	Activity Group	Matrix Code	National Objective	IDIS Activity	Activity Status	Amount Funded From Selected Grant	Amount Drawn From Selected Grant	% of CDBG Drawn From Selected Grant/Grant	Total CDBG Funded Amount (All Years All Sources)	Total CDBG Drawn Amount (All Years All Sources)
GA	Athens	2014	B14MC130007	Acquisition	01	LMIH	971	Completed	\$124,813.65	\$124,813.65		\$180,813.69	\$180,813.69
GA	Athens	2014	B14MC130007	Acquisition	01	LMIH	975	Open	\$77,481.70	\$77,481.70		\$195,815.00	\$142,219.56
GA	Athens	2014	B14MC130007	Acquisition	04	LMC	989	Completed	\$4,666.00	\$4,666.00		\$4,666.00	\$4,666.00
GA	Athens	2014	B14MC130007	Acquisition	04	LMC	991	Open	\$26,902.51	\$26,902.51		\$45,334.00	\$27,035.00
				<b>Acquisition</b>					<b>\$233,863.86</b>	<b>\$233,863.86</b>	<b>18.42%</b>	<b>\$426,628.69</b>	<b>\$354,734.25</b>
GA	Athens	2014	B14MC130007	Administrative And Planning	21A		970	Completed	\$136,648.02	\$136,648.02		\$253,940.20	\$253,940.20
				<b>Administrative And Planning</b>					<b>\$136,648.02</b>	<b>\$136,648.02</b>	<b>10.76%</b>	<b>\$253,940.20</b>	<b>\$253,940.20</b>
GA	Athens	2014	B14MC130007	Economic Development	18B	LMI	976	Completed	\$38,118.79	\$38,118.79		\$72,753.51	\$72,753.51
GA	Athens	2014	B14MC130007	Economic Development	18B	LMI	978	Completed	\$55,688.07	\$55,688.07		\$73,855.74	\$73,855.74
GA	Athens	2014	B14MC130007	Economic Development	18C	LMC	977	Completed	\$35,638.43	\$35,638.43		\$86,413.00	\$86,413.00
				<b>Economic Development</b>					<b>\$129,445.29</b>	<b>\$129,445.29</b>	<b>10.19%</b>	<b>\$233,022.25</b>	<b>\$233,022.25</b>

**THE CDBG REGULATIONS ASSOCIATED WITH THE PR26 REPORT**

The PR26 is designed to address grantee compliance with the following CDBG regulations:

- **24 CFR 570.200 (a)(3)** states that the primary objective of the HCDA is to ensure that, over a period of time specified in the grantee’s certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities benefitting low and moderate-income persons.
- **24 CFR 570.201(e)(1)** states that the amount of CDBG funds used for public services shall not exceed 15 percent of each grant, plus 15 percent of program income, as defined in §570.500(a). For entitlement grantees, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee’s immediately preceding program year.

- **24 CFR 570.200(g)** contains two tests. Paragraph (g)(1) states that no more than 20 percent of any origin year grant shall be expended for planning and program administrative costs, as defined in § 570.205 and §570.206, respectively for origin year 2015 grants and subsequent grants. Expenditures of program income for planning and program administrative costs are excluded from this calculation. Paragraph (g)(2) states that the amount of CDBG funds obligated during each program year for planning plus administrative costs, as defined in §570.205 and §570.206, respectively, shall be limited to an amount no greater than 20 percent of the sum of the grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year. Funds from a grant of any origin year may be used to pay planning and program administrative costs associated with any grant of any origin year.

### **HOW GRANT-BASED ACCOUNTING INTERIM RULE IMPACTS THE PR26 REPORT**

In annual appropriations acts, Congress limits the amount grantees may use for planning, management development, and administration no more than 20 percent of each grant. The grant based accounting interim rule implements two distinct compliance tests under §570.200(g) for planning and administration funds: the existing obligation test and a new origin year expenditure test. The grantee must pass both tests to meet compliance.

Program year obligation test: (§570.200(g)(2)) This test has always occurred, and continues to be located in Part V of the PR26 CDBG Financial Summary report. The amount of CDBG funds obligated during each program year for planning plus administrative costs, as defined in §570.205 and §570.206, respectively, must be limited to an amount no greater than 20 percent of the sum of the grant made for that program year plus the program income received by the recipient and its subrecipients (if any) during that program year.

Origin year grant expenditure test: (§570.200(g)(1)) This is a new test and required for 2015 CDBG origin year grants and subsequent origin year grants. No more than 20 percent of any origin year grant shall be expended for planning and program administrative costs, as defined in §570.205 and §570.206, respectively. Program income expenditures for planning and program administrative costs are excluded from this calculation. Funds from a grant of any origin year may be used to pay planning and program administrative costs associated with any grant of any origin year. HUD has developed a new IDIS report, “PR26 – Activity Summary by Selected Grant” to determine compliance for the origin year expenditure test. Directions are included in this document.

## DOCUMENTS YOU WILL NEED TO BEGIN YOUR REVIEW

The following Microstrategy reports will assist in reviewing and reconciling a PR26 report for a grantee's program year. Instructions for generating Microstrategy reports using IDIS can be found at <https://www.hudexchange.info/resource/2533/idis-online-reports-user-guide/>

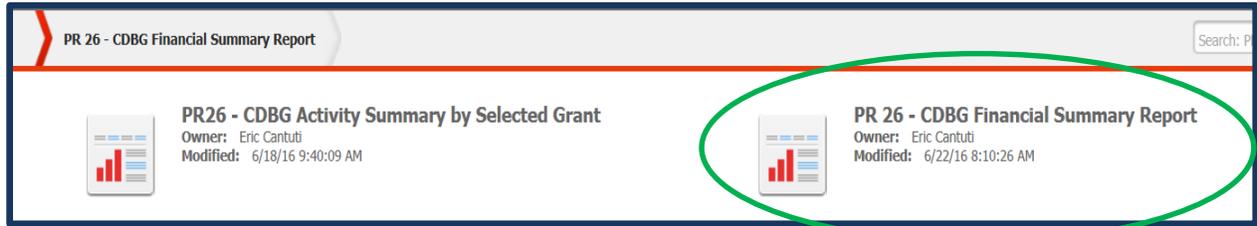
- **PR03 – CDBG Activity Summary Report**  
This report displays program and financial information on projects and activities that have been funded with CDBG dollars. Note: Use the “PR03 - BOSMAC (Original)” for the current program year and previous program year.
- **PR07 – Drawdown Report by Voucher Number**  
This report displays all drawdown vouchers by date. The report provides details by voucher including the activity IDs, the voucher's status, amount drawn, the voucher creation date, and the date the voucher was (or will be) sent to LOCCS.
- **PR09 – Program Income Detail Report by Program Year and Program**  
This report provides a list of all receipts for program income (PI), revolving loan funds (RL), Section 108 program income (SI), and funds returned to the local program account (LA). This report is most useful when run using the default parameters of day 1 of the grantee's program year through to the current day.
- **PR26 – CDBG Financial Summary Report (Prior Year)**  
The prior year PR26 report is needed to review and reconcile the current year PR26 Report.

## HOW TO MAKE CORRECTIONS TO THE PR26 REPORT

The PR26 report extracts information entered into IDIS. A grantee may find the information on the report needs to be corrected or adjusted to reflect how CDBG funds were actually administered. This guide provides direction on where and when corrections may need to occur to document compliance with the CDBG program. To make such corrections, a grantee can:

- **Update IDIS and run the report again:** Activities improperly entered in IDIS may be corrected. Once the update is completed, the PR26 report should be run again. The updated information will appear in the new report. As with any Microstrategy report, corrections will be reflected in the report on the following day.
- **Manually enter adjustments in the report:** Corrections and adjustments may be made manually on any line labeled “Adjustments” in each section of the report. Manual corrections on this report require a narrative explanation for each adjustment by activity and amount. Grantees must maintain documentation to support all adjustments made on the PR26 report.

# REVIEWING THE PR26 CDBG FINANCIAL SUMMARY REPORT



## Part I: Summary of CDBG Resources

This section identifies all of the CDBG funds available to the grantee during the program year. CDBG resources include the entitlement grant, program income, Section 108 guaranteed loan proceeds, surplus urban renewal funds, and any funds returned to either the line-of-credit or the local CDBG account.

<b>PART I: SUMMARY OF CDBG RESOURCES</b>	
01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	15,793,141.87
02 ENTITLEMENT GRANT	4,200,532.00
03 SURPLUS URBAN RENEWAL	0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00
05 CURRENT YEAR PROGRAM INCOME	73,987.75
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)	0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT	0.00
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	(2,719.05)
08 TOTAL AVAILABLE (SUM, LINES 01-07)	20,064,942.57

<b>Report Line</b>	<b>IDIS Generated</b>	<b>How to Review</b>
01	✓	<b>Unexpended CDBG Funds at End of Previous Program Year</b> This line reports the amount on line 16 of the prior year’s PR26.
02	✓	<b>Entitlement Grant</b> This line reports the authorized amount of the grant recorded in IDIS. This line would not contain reallocated funds received later in the program year. Reallocated funds are reported on Line 07-Adjustments.
03		<b>Surplus Urban Renewal</b> If the grantee does not have surplus urban renewal funds, the amount entered should be \$0. If the grantee has urban renewal funds, the grantee should report the amount of surplus funds shown on form HUD-7082 executed under this grant during the reporting period. Check with the CPD Director if you are not sure how this field should be reported.

<u>Report Line</u>	<u>IDIS Generated</u>	<u>How to Review</u>
04	✓	<p><b>Section 108 Guaranteed Loan Funds</b></p> <p>This line reports the principal amount of Section 108 loan proceeds received during the program year. The information is pulled from the Section 108 loan draw vouchers submitted during the program year. If the grantee does not have a Section 108 loan, the amount would be \$0. Although this amount is IDIS generated, verify the amount is correct. If the amount is incorrect, the adjustment should be entered on Line 07- Adjustments.</p>
05	✓	<p><b>Current Year Program Income</b></p> <p>This line reports the amount of program income receipted into IDIS during the program year. Use the PR09 report and set the default parameters to day 1 of the program year through to the current day to verify the amount reported is correct.</p> <ul style="list-style-type: none"> <li>• Effective April 2015, line 05 will pull the program income based on the program year reported on the receipt.</li> <li>• If the amount is incorrect, either manually enter the adjustment on Line 07- Adjustments or update the original receipt in IDIS. Once the update in IDIS is completed, the PR26 report should be run again. The updated information will appear in the new report. As with any Microstrategy report, corrections will be reflected in the report on the following day.</li> </ul>
05a	✓	<p><b>Current Year Section 108 Program Income (SI)</b></p> <p>This line reports the amount of Section 108 program income receipted into IDIS during the program year. Use the PR09 report and set the default parameters to day 1 of the program year through to the current day to verify the amount of Section 108 program income for the program year is correct.</p> <ul style="list-style-type: none"> <li>• Effective April 2015, line 05 will pull program income based on the program year reported on the receipt.</li> <li>• If the amount is incorrect, either manually enter the adjustment on line 07-Adjustments or update the original receipt in IDIS. Once the update in IDIS is completed, the PR26 report should be run again. The updated information will appear in the new report. As with any Microstrategy report, corrections will be reflected in the report on the following day.</li> </ul>
06	✓	<p><b>Funds Returned to the Line-of-Credit (LOC)</b></p> <p>This line reports any funds repaid to the CDBG line-of-credit (LOC) either for an excessive draw amount or for a finding of non-compliance. IDIS records these repayments as credits. Additional information on the amount reported on this line can be found by reviewing the draw vouchers for Activity #2 in IDIS. The funds returned to the LOC will show as negative draws under Activity #2. If the amount is incorrect, the adjustment should be entered on Line 07- Adjustments.</p>
06a	✓	<p><b>Funds Returned to the Local CDBG Account (LA)</b></p> <p>This line reports funds returned to the local CDBG account (LA) during the program year. Funds returned correctly will appear as LA receipts. If the amount is incorrect, the adjustment should be entered on Line 07- Adjustments.</p>

<b>Report</b>	<b>IDIS</b>	<b><u>How to Review</u></b>
<b><u>Line</u></b>	<b><u>Generated</u></b>	

**07**

**Adjustment to Compute Total Available**

The total amount of adjustments made to the following report lines is entered here:

- Line 02 Entitlement Grant
- Line 04 Section 108 Loan Funds
- Line 05 Current Year Program Income
- Line 05a Current Year Section 108 Program Income
- Line 06 Funds Returned to the line-of-credit
- Line 06a Funds Returned to the Local CDBG Account

An adjustment might be needed if the grantee reconciles its financial records to the receipts reported in the PR09 report and determines there are receipts showing in the wrong program year in IDIS. The grantee must provide details of each adjustment by receipt number and dollar amount. A generalized narrative for any adjustment is not considered to be an adequate explanation. Grantees must maintain documentation to support all adjustments made on the PR26 report.

Examples of when adjustment may need to occur:

- Program income received by the grantee or subrecipients during the program year was either not receipted in IDIS or receipted after the end of the program year. The amount would be included on this line as a positive adjustment (+).
- Program income receipted after the start of the program year was actually received in the prior program year. This amount should have been reported as positive adjustment online 7 of the prior year PR26 report. For this year’s report, it would be a negative adjustment (-).
- The grant amount entered on Line 02 included reallocated funds received later in the program year; Any reallocated funds should be included on line 07.

**08**



**Total Available**

This line reports the cumulative total of all CDBG funds available to the grantee throughout the program year. It is the total of Lines 1 through 7.

## Part II: Summary of CDBG Expenditures

This section identifies all of the CDBG funds expended by the grantee during the program year. It documents all disbursements reported in IDIS, provides an opportunity to correct missing or incorrect entries, and reports the final unexpended CDBG balance for the program year.

<b>PART II: SUMMARY OF CDBG EXPENDITURES</b>	
09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	7,626,174.83
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	7,626,174.83
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	356,374.56
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	7,982,549.39
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	280,453.30

<b>Report Line</b>	<b>IDIS Generated</b>	<b><u>How to Review</u></b>
<b>09</b>	✓	<p><b>Disbursements Other Than Section 108 Repayments and Planning/Administration</b></p> <p>This line reports all CDBG expenditures in IDIS except for those associated with planning and administration or Section 108 repayment matrix codes. The following matrix codes are excluded: 19A, 19B, 19F, 19G, 20, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, 21J, 24A, 24C.</p> <ul style="list-style-type: none"> <li>• Use the PR03 Report and sort the report in order of matrix codes. Matrix codes 19A through 24C will be sorted together and can be easily totaled and excluded.</li> <li>• The remaining expenditures should total the amount reported on this line.</li> <li>• Review the list of all activities and confirm the matrix code for each activity is accurate. Any corrections should be made to the CDBG activity setup detail screen in IDIS.</li> <li>• After all corrections have been made to the CDBG activity setup detail screens, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.</li> </ul>
<b>10</b>		<p><b>Adjustment to Compute Total Amount Subject to Low/Mod Benefit</b></p> <p>This line reports all adjustments made for all low-mod expenditures during the program year. The following types of adjustments should be reported on this line:</p> <ul style="list-style-type: none"> <li>• Draws that occurred as prior year draws should be deducted from this line.</li> </ul>

**Report Line**      **IDIS Generated**

**How to Review**

- Draws made after the program year ends that should have been attributed to the current year.

Use the PR07 report to determine whether any vouchers are pulling in the wrong program year. If this is the case, corrections can occur:

- Within 90 days of the program year end date, the prior year (PY) option may be updated in IDIS. Apply the incorrect draws to the prior year. After all corrections have been made to the vouchers, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day. The corrected vouchers will be reflected on Line 09.
- More than 90 days after the program year end date, IDIS will not provide the prior year (PY) flag option. All adjustments will need to be reported on this line.
- For each adjustment, attach to this report a list of each activity by name, number, and dollar amount expended during the reporting period. Grantees must maintain documentation to support all adjustments made on the PR26 report.

An example of when adjustment may need to occur:

- A grantee draws 2011 funds after the 2012 program year begins. IDIS will report this draw in all 2012 reports even though it is for an expense during the 2011 program year. When a grantee adds a draw for previous program year funds, it must be subtracted out of line 10 the next year. In this example, the draw should be reported as a negative adjustment on Line 10 of the 2012 PR26 report.

**11**      ✓      **Amount Subject to Low/Mod Benefit**  
The amount reported on this line is the total of Line 09 + Line 10.

**12**      ✓      **Disbursed in IDIS for Planning/Administration**  
This line reports the amount disbursed in IDIS for planning and administration. The information is pulled by matrix code.

- Use the PR03 report and sort the report in matrix code order. The sort will group all of the planning and administration activities together at the bottom of the report to make it easier to review them.
- Add up the activities listed as planning and administration activities. The relevant planning and administration codes are: 19A, 19B, 20, 21 A through 21J.
- If additional detail is needed, use the PR05 report to review all of the draws made for these activities.

**Report  
Line**      **IDIS  
Generated**

**How to Review**

- If the amount disbursed in IDIS for planning and administration activities needs to be corrected, the adjustment is should be entered on Line 14 – Adjustment to Compute Total Expenditures.

13



**Disbursed in IDIS for Section 108 Repayments**

This line reports the amount disbursed in IDIS for Section 108 repayments. The information is pulled by matrix code.

- Use the PR03 report and sort the report in order of matrix codes. The sort will group all of the Section 108 repayments together to make it easier to review them.
- Add up the activities listed as Section 108 repayments. The relevant matrix codes are: 19F, 19G, 24A, and 24C.
- If additional detail is needed, use the PR05 report to review all of the draws made for these activities.
- If the amount disbursed in IDIS for Section 108 repayments needs to be corrected, the adjustment is should be entered on Line 14 – Adjustment to Compute Total Expenditures.

14

**Adjustment to Compute Total Expenditures**

The amount reported on this line should be the total of all accrued expenditures not reflected in lines 11 through 13. Adjustments reported here will normally be either expenditures not reported in IDIS or expenditures in IDIS not appearing in the correct period.

The grantee must provide details of each adjustment by receipt number and dollar amount. A generalized narrative for any adjustment is not considered to be an adequate explanation. Grantees must maintain documentation to support all adjustments made on the PR26 report.

15



**Total Expenditures**

This line reports the total of lines 11 + 12 + 13 + 14.

16



**Unexpended Balance**

This line reports the amount of unexpended CDBG funds at the end of the program year. IDIS will automatically calculate the difference between Line 8 and Line 15.

## Part III: Low/Mod Benefit This Reporting Period

This section calculates the amount of CDBG funds expended for activities benefitting low and moderate income persons during the grantees specified certification period. This information is used to determine if the minimum threshold, not less than 70 percent, has been met.

<b>PART III: LOWMOD BENEFIT THIS REPORTING PERIOD</b>		
17	EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18	EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
19	DISBURSED FOR OTHER LOW/MOD ACTIVITIES	3,286,823.31
20	ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	80,000.03
21	TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	3,366,823.34
22	PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	98.79%
<b>LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS</b>		
23	PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: 2013 PY: 2014 PY:
24	CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	6,760,488.24
25	CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	6,711,194.74
26	PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	99.27%

<b>Report</b>	<b>IDIS</b>	<b><u>How to Review</u></b>
<b><u>Line</u></b>	<b><u>Generated</u></b>	

**17**

### **Expended for Low/Mod Housing in Special Areas**

The amount reported on this line documents CDBG funds that were used for LMH activities by a CDFI or in a NRSA. LMH expenditures for a CDFI or NRSA are not automatically calculated by IDIS. Instead, the PR26 report will generate a list of activities with the LMH national objective that have been identified in IDIS as being located in an NRSA or carried out by a CDFI. Reviewing this line for accuracy will require a two-part process.

Grantees with more than one CDFI/NRSA: If a grantee has more than one CDFI/NRSA, separately review the activities by each CDFI/NRSA designation.

#### **Part 1: Make sure all CDFI/NRSA activities have been reported accurately.**

**Step 1:** Review the Financial Summary line 17 detail section of the PR26 report to confirm activities listed have been properly reported and are located in an NRSA or are carried out by a CDFI. If an activity is missing or improperly shown as a NRSA or CDFI activity, the CDBG activity setup detail screen in IDIS should be corrected.

**Step 2:** Review the same list of activities and confirm that the national objective code of LMH is accurate. Any corrections should be made to the CDBG activity setup detail screen in IDIS.

**Step 3:** After all corrections have been made to the CDBG activity setup detail screens, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.

**Part 2: Review the number of housing units assisted.**

Grantees with only one CDFI/NRSA: Complete the steps 1 through 8 below and enter the amount of the CDBG funds expended for these housing activities on line 17.

Grantees with more than one CDFI/NRSA: Separate the activities in the Financial Summary line 17 detail by each CDFI/NRSA. Next, follow the steps 1 through 8 for each individual CDFI/NRSA. Once each calculation is complete, go to Step 9.

**Step 1:** For *each* CDFI/NRSA, calculate the total number of housing units assisted during the reporting period for all activities on the list within that area.

**Step 2:** Identify the total number of housing units for *each* NRSA/CDFI occupied by low-mod households as of the end of the reporting period.

**Step 3:** Divide the amount from Step 2 by the amount from Step 1. This is the percentage of units occupied by low-mod households.

$$\frac{\text{\# of units occupied by low-mod}}{\text{\# of units assisted by CDFI/NRSA in program year}} = \% \text{ of units occupied low-mod households}$$

**Step 4:** Identify the total cost for all of the housing units reported under Step 1, including private, other public funds, and CDBG funds.

**Step 5:** Identify the total amount CDBG funds used for all of those CDFI/NRSA housing units assisted.

**Step 6:** Divide the amount from Step 5 by the amount from Step 4. This is the percentage of CDBG funds expended for the cost of the housing units reported.

$$\frac{\text{Total CDBG \$ for all assisted units}}{\text{Total \$ for all CDFI/NRSA housing units}} = \% \text{ of CDBG used for housing}$$

**Step 7:** If the percentage from Step 6 (percentage of CDBG funds expended) is *less* than the percent from Step 3 (percentage of units occupied by low-mod households), enter the total amount of CDBG funds expended for the housing activities on line 17 and move on to line 18. If there is more than one CDFI/NRSA, make note of the amount of CDBG funds expended for these activities. You will use this information during Step 9.

**Step 8:** If the percent from Step 6 (percentage of CDBG funds expended) is *greater* than the percent from Step 3 (percentage of units occupied by low/mod households):

- (a) Multiply the percentage from Step 3 (percentage occupied by low/mod households) with the amount from Step 4 (total cost for all housing units).

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- (b) Divide the result from (a) by the amount of CDBG funds to be used for these activities (amount reported in Step 5).
- (c) Multiply the result from (b) by the CDBG funds expended (cash disbursed and any accrued expenditures) for these activities during the reporting period. The result is the amount counted toward the low/mod benefit calculation.
- (d) If there is only one NRSA or CDFI, enter the result for (c) on Line 17 and move on to line 18. If there is more than one CDFI/NRSA, make note of the result obtained in (c) and repeat steps 1 – 8 for each remaining CDFI/NRSA.

**Step 9:** If there is more than one CDFI/NRSA, total the amounts obtained from completing steps 7 and/or 8(c) for each area and enter the sum on line 17.

**18**

**Expended for Low/Mod Multi-Unit Housing**

The amount reported on this line documents CDBG funds used for multi-unit housing activities benefitting low and moderate income persons. The PR26 report provides a list of all low-mod multi-unit activities reported in IDIS that are not located in an NRSA or are not carried out by a CDFI. These activities would have either the matrix code 14B or (if the multi-unit flag on the CDBG Setup Detail Page 2 screen is set to “yes”) the matrix codes, 14C, 14D or 16A. Reviewing this line for accuracy will require a two-part process.

**Part 1: Make sure all low-mod multi-unit activities have been reported accurately.**

**Step 1:** Review the line 18 detail section of the PR26 report to confirm activities listed have been properly reported. If something is missing or improperly listed, the CDBG activity setup detail screen in IDIS should be corrected.

**Step 2:** Missing & improperly listed activities: On the CDBG activity setup detail screen for each missing activity, verify that the “Yes” option has been selected for “multi-unit”. Next check for improperly listed activities that are not multi-unit and remove the “Yes” selection.

**Step 3:** After all corrections have been made to the CDBG activity setup detail screen, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.

**Part 2: Review the number of housing units assisted.**

Complete the following steps for each multi-unit housing activity.  
*Reminder:* Each multi-unit housing project should be set up as a separate Activity in IDIS.

**Step 1:** Identify the total number of units in the activity.

**Step 2:** Identify the total number of units that are occupied by low/mod households.

**Step 3:** Divide the number reported in Step 2 by the number reported in Step 1. This is the percentage of units occupied by low/mod households.

$$\frac{\text{\# of units occupied by low-mod}}{\text{\# of}} = \% \text{ of units occupied low-mod households}$$

**Step 4:** Identify the total cost of the activity, including private, other public funds, and CDBG funds.

**Step 5:** Identify the total amount of CDBG funds used for the activity.

**Step 6:** Divide Step 5 (total amount of CDBG funds used) by Step 4 (total cost of the activity). This is the percentage of CDBG funds expended for the cost of the overall multi-unit housing activity.

$$\frac{\text{Total CDBG \$}}{\text{Total \$ activity}} = \% \text{ of CDBG used for housing activity}$$

**Step 7:** If the percentage paid with CDBG (Step 6) is *less* than the percentage of units occupied by low-mod households (Step 3), enter the total amount of CDBG funds expended for this activity on line 18. However, if there is more than one multi-unit housing activity, make note of the amount of CDBG funds expended for this activity during the reporting period. You will use this information during Step 9.

**Step 8:** If the percentage of funds paid with CDBG (Step 6) is *greater* than the percentage of units occupied by low/mod households (Step 3), complete the following:

- a) Multiply the percentage occupied by low/mod households (Step 3) by the total project costs (Step 4).
- (b) Divide the result from (a) by the amount of CDBG funds are used for this activity (Step 5).
- (c) Multiply the result from (b) by the CDBG funds expended for this activity during the reporting period. The result is the amount counted toward this activity for the low/mod benefit calculation. It will be used in Step 9.

**Step 9:** If there is more than one multi-unit housing activity, total the amounts obtained from completing steps 7 and/or step 8(c) and enter the sum on line 18.

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**Disbursed for Other Low/Mod Activities**

This line reports disbursements for the remaining activities assigned a low/mod benefit national objective. This includes activities that were not already reported in line 17 or line 18. This line should report disbursements for the following:

- LMC, LMJ, or LMA activities
- LMH activities with a matrix code of 14B, 14C, 14D, or 16A and are not flagged as multi-unit housing;
- LMH activities that do not have a matrix code of 14B, 14C, 14D, or 16A and are not activities located in an NRSA or carried out by a CDFI.

Review the Financial Summary line 19 detail and confirm activities have been properly reported in IDIS. If an activity is missing or improperly reported, the CDBG activity setup detail screen in IDIS should be corrected. After all corrections have been completed, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19							
Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2015	3	1007	5872215	Demo project 4 units	01	LMH	\$24,094.89
2015	3	1007	5881548	Demo project 4 units	01	LMH	\$41,156.37
2015	3	1007	5892292	Demo project 4 units	01	LMH	\$8,172.83
2015	3	1007	5910263	Demo project 4 units	01	LMH	\$22,102.67
2015	4	1005	5850801	Athens Land Trust	01	LMC	\$13,715.09
2015	4	1005	5862073	Athens Land Trust	01	LMC	\$16,703.27
2015	4	1005	5872208	Athens Land Trust	01	LMC	\$13,310.98
2015	4	1005	5881545	Athens Land Trust	01	LMC	\$27,664.13
2015	4	1005	5892269	Athens Land Trust	01	LMC	\$13,989.60
2015	4	1005	5901127	Athens Land Trust	01	LMC	\$11,158.42
2015	4	1005	5910262	Athens Land Trust	01	LMC	\$12,700.22
					<b>01</b>	<b>Matrix Code</b>	<b>\$204,768.47</b>
2015	11	994	5850625	Athens Community Coucil on Aging	03A	LMC	\$3,333.34
2015	11	994	5862087	Athens Community Coucil on Aging	03A	LMC	\$1,666.67
2015	11	994	5872220	Athens Community Coucil on Aging	03A	LMC	\$1,666.67
2015	11	994	5881532	Athens Community Coucil on Aging	03A	LMC	\$1,666.67
2015	11	994	5892239	Athens Community Coucil on Aging	03A	LMC	\$1,666.67
2015	11	994	5901070	Athens Community Coucil on Aging	03A	LMC	\$1,666.67
2015	11	994	5910253	Athens Community Coucil on Aging	03A	LMC	\$1,666.67
					<b>03A</b>	<b>Matrix Code</b>	<b>\$13,333.36</b>

20

**Adjustments to Compute Total Low/Mod Credit**

If any adjustments were made on this report and the PR26 was not run again to show the corrections, report the manual adjustments on this line.

Items to be entered on this line would include the total of:

- Accrued expenditures for activities included in Line 19;
- Any adjustments made for activities the system included on Line 19 of the report, but were manually moved and reported under Line 17 or 18.

Provide a narrative explanation for the adjustments by activity and amount.

Grantees must maintain documentation to support all adjustments made on the PR26 report.

- 21 ✓ **Total Low/Mod Credit**  
This line reports the total of line 17 + line 18 +line 19 + line 20.
- 22 ✓ **Percent Low/Mod Credit**  
This line reports the total of line 21 divided by line 11.  
This line reports the percentage of CDBG funds that can be claimed to be used to benefit low to moderate income persons during the program year.
- 23 **Program Years Covered in Certification**  
IDIS automatically calculates expenditures based on the program year alone. To have the report reflect the entire certification period, the multi-year period must be manually entered on the PR26 report parameter screen. The program years must match the certification period documented in the most recent CDBG specific certification submitted to HUD. This certification is submitted with each annual action plan.
- 24 **Cumulative Net Expenditures Subject to Low/Mod Benefit Calculation**  
This line reports the total expenditures for all activities minus expenditures for planning and administration during the certification period.
  - A grantee is required to report cumulative expenditures every year during its certification period.
  - This is the amount in line 11 of this report + the amount of line 11 from the report(s) for any prior years included in the certification period.
  - If this is the first year of the multi-year certification period, the amount on this line should equal the amount on line 11.
- 25 **Cumulative Net Expenditures Benefitting Low/Mod Persons**  
This line reports the total expenditures for all activities with a low-mod national objective for the certification period.
  - The grantee is required to report cumulative expenditures every year during its certification period.
  - This is the amount in line 21 of this report + the amount of line 21 from the report(s) for any prior years included in the certification period.
  - If this is the first year of the multi-year certification period, the amount on this line should equal the amount on line 21.
- 26 ✓ **Percent Benefit to Low/Mod Persons**  
This line calculates the percentage of CDBG funds expended for activities benefitting the low and moderate income during the grantee’s specified certification period. This information is used to determine if the minimum threshold, not less than 70 percent, has been met.  
  
The calculation is the result of dividing line 24 by line 25.  
  
If this is the end of the certification period and the calculation does not meet the minimum threshold of 70%, review the entries on this report and the entries in reports from previous years covered under the certification period to confirm

they are correct and if all adjustments have been made. Make any corrections as necessary in each report associated with this certification period. After all corrections have been completed, run the PR26 report(s) again. As with any Microstrategy report, corrections will be reflected in the report(s) on the following day.



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If after this review, the percentage reported is still under 70% and the certification period has ended, HUD will request repayment as a “Finding of Noncompliance” in the CAPER review letter.

## Part IV: Public Service Cap Calculations

This section identifies the calculations used to determine the limit (cap) on funds obligated for public service activities. 24 CFR 570.201(e)(1) states that the amount of CDBG funds used for public services shall not exceed 15 percent of each grant, plus 15 percent of program income. For entitlement grantees, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

<b>PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS</b>	
27 DISBURSED IN IDIS FOR PUBLIC SERVICES	102,071.73
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	102,071.73
32 ENTITLEMENT GRANT	2,047,931.00
33 PRIOR YEAR PROGRAM INCOME	212,463.97
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	2,260,394.97
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	4.52%

**Report**      **IDIS**  
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### How to Review

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#### **Disbursed in IDIS for Public Services**

The amount reported on this line is based on CDBG disbursements with a public service matrix code of 05, 05A-05U, and 03T. Review the line 27 detail report to confirm all activities are correct. If the amount disbursed in IDIS for public services needs to be corrected, the adjustment should be entered on Line 30 – Adjustment to Compute Total Public Service Obligations.

<b>LINE 27 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 27</b>							
Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2015	12	995	5872222	Athens Area Homeless Shelter	03T	LMC	\$2,778.98
2015	12	995	5901072	Athens Area Homeless Shelter	03T	LMC	\$2,483.68
2015	14	997	5850626	Aids Athens	03T	LMC	\$2,742.60
2015	14	997	5881536	Aids Athens	03T	LMC	\$4,916.28
2015	14	997	5892244	Aids Athens	03T	LMC	\$1,449.12
2015	14	997	5901073	Aids Athens	03T	LMC	\$1,449.12
2015	14	997	5910257	Aids Athens	03T	LMC	\$1,449.12
					<b>03T</b>	<b>Matrix Code</b>	<b>\$17,268.90</b>
2015	8	993	5862095	EADC partnership with ATP and CCC	05D	LMC	\$2,766.50
2015	8	993	5872239	EADC partnership with ATP and CCC	05D	LMC	\$1,558.48
2015	8	993	5892238	EADC partnership with ATP and CCC	05D	LMC	\$2,085.00
2015	8	993	5910252	EADC partnership with ATP and CCC	05D	LMC	\$2,147.50
2015	16	999	5850631	Athens Tutorial Program	05D	LMC	\$14,749.46
2015	16	999	5892247	Athens Tutorial Program	05D	LMC	\$3,043.42
					<b>05D</b>	<b>Matrix Code</b>	<b>\$26,350.36</b>

Report Line	IDIS Generated	<u>How to Review</u>
28		<p data-bbox="470 268 1356 300"><b>Public Services Unliquidated Obligations at End of Current Program Year</b></p> <p data-bbox="470 304 1404 367">The amount reported on this line is the total unliquidated obligations for all of the open public service activities in IDIS.</p> <ul data-bbox="470 378 1432 661" style="list-style-type: none"> <li data-bbox="470 378 1432 588">• Use the PR03 report as a reference to review this line. Filter the report by public service activities (matrix codes 05, 05A-05U, 03T). The “Balance” column may be used as a starting point in determining the unliquidated obligations at the end of the program year. When determining unliquidated obligations remember that a funded activity in IDIS does not automatically mean funds have been obligated. (See Note below).</li> <li data-bbox="470 598 1432 661">• An example on how to determine the amount to be entered on line 28 is provided in Exhibit A.</li> </ul> <p data-bbox="470 703 1404 766">If the amount reported needs to be corrected, the adjustment is should be entered on Line 30 – Adjustment to Compute Total Public Service Obligations.</p> <p data-bbox="470 808 1421 871">Note: Keep in mind, the activity funded amount does not necessarily represent the amount of funds obligated. Here are two different examples.</p> <ul data-bbox="519 882 1432 1375" style="list-style-type: none"> <li data-bbox="519 882 1432 1155">• <u>Example 1:</u> A grantee may have an obligation not on record in the PR03 report. Unrecorded obligations can occur when a grantee keeps its own set of records separate from IDIS. For example, many grantees fund public services for multiple years. If a grantee awards \$50,000 over two years but funded the activity at \$30,000 the first year, then the obligation would show as \$50,000 and the grantee would have \$20,000 as unliquidated obligations. However, in PR03, the activity may have “0” balance.</li> <li data-bbox="519 1165 1432 1375">• <u>Example 2:</u> Conversely, a funded activity in IDIS does not mean it is obligated. Obligation occurs when the activity is legally under contract (a signed agreement). If a grantee agreed to fund a nonprofit service provider but did not execute a contract before the end of the program year, the activity may be set up in IDIS and funded at \$20,000, but the funds are not obligated, so there are no unliquidated obligations.</li> </ul>
29		<p data-bbox="470 1417 1356 1449"><b>Public Service Unliquidated Obligations at End of Previous Program Year</b></p> <p data-bbox="470 1453 1388 1516">The amount reported on this line is the total unliquidated obligations for all public service activities reported at the end of the <u>previous</u> reporting period.</p> <ul data-bbox="519 1522 1432 1701" style="list-style-type: none"> <li data-bbox="519 1522 1432 1627">• The amount in this line should equal line 28 from the prior year PR26 report, or the amount from line 30 if the amount of unliquidated obligations for the prior year’s report was entered on that line instead.</li> <li data-bbox="519 1638 1432 1701">• An example on how to determine the amount to be entered on line 29 is provided separately in Exhibit A.</li> </ul>
30		<p data-bbox="470 1743 1161 1774"><b>Adjustment to Compute Total Public Service Obligations</b></p> <p data-bbox="470 1778 1421 1839">The amount reported on this line is the total accrued expenditures <u>and</u> any unliquidated obligations for public services not included on line 27 or line 28 as</p>

<b>Report Line</b>	<b>IDIS Generated</b>	<b><u>How to Review</u></b>
		<p>of the end of the reporting period. These are activities with matrix codes 03T, 05 and 05A-05U.</p> <ul style="list-style-type: none"> <li>• Neighborhood Revitalization Strategy Area (NRSA) activities: when a qualified Community Based Development Organization (CBDO) carries out public service activities in a HUD approved NRSA, such public services are not counted against the 15% public service cap and should be deducted from expenditures for the public service activities.</li> <li>• If any adjustments need to be made to public services, the grantee should enter it here and provide a narrative explanation for the adjustments by activity and amount. Grantees must maintain documentation to support all adjustments made on the PR26 report.</li> </ul>
<b>31</b>	✓	<p><b>Total Public Service Obligations</b></p> <p>The amount reported on this line is the total of line 27 + line 28 - line 29 + line 30.</p>
<b>32</b>	✓	<p><b>Entitlement Grant</b></p> <p>This line reports the authorized amount of the grant as recorded in IDIS. This amount should match the amount reported in line 02 – Entitlement Grant. Any corrections made to the entitlement grant amount should be reported on line 34 - Adjustments to Compute Total Subject to Public Service Cap.</p>
<b>33</b>	✓	<p><b>Prior Year Program Income</b></p> <p>The amount reported on this line is the program income reported in IDIS for the <u>prior year</u>. Prior year program income is used to calculate the public services cap.</p> <p>Note: IDIS does <u>not</u> include the following for this line:</p> <ul style="list-style-type: none"> <li>• Program income (PI or RL) that was not recorded in IDIS during the prior year</li> <li>• Program income retained by subrecipients that may not have been recorded as of the end of the prior reporting period.</li> </ul> <p>Any corrections made to the prior year program income should be reported on the line 34 – Adjustments to Compute Total Subject to Public Service Cap.</p>
<b>34</b>		<p><b>Adjustment to Compute Total Subject to Public Service Cap</b></p> <p>If any corrections were needed on line 32 or line 33, report the adjustments on this line. Other adjustments that may occur on this line include:</p> <ul style="list-style-type: none"> <li>• If the grantee made adjustments on line 7 (Adjustment to Compute Total Available) of the <u>prior year's</u> report for program income, this amount should be entered here.</li> <li>• If reallocated funds received during the reporting period have not been included in line 32 (Entitlement Grant), report the funds here.</li> </ul>

<b>Report Line</b>	<b>IDIS Generated</b>	<b><u>How to Review</u></b>
		A narrative explanation should be provided for each activity by name, number, and dollar amount expended during the reporting period. Grantees must maintain documentation to support all adjustments made on the PR26 report.
35	✓	<p><b>Total Subject to Public Service Cap</b></p> <p>The amount reported on this line is the total of line 32+ line 33+ line 34.</p>
36	✓	<p><b>Percent Funds Obligated for Public Service Activities</b></p> <p>This line calculates the percentage of funds obligated for public service activities. This information is used to determine if the maximum threshold, not more than 15%, has been exceeded.</p> <p>The calculation is the result of dividing line 31 by line 35. If the calculation exceeds the maximum threshold of 15%, review the entries on this report to confirm they are correct and if all adjustments have been made. Particular attention should be taken to ensure all completed CDBG activities have been correctly closed out. After correcting improperly closed out activities, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.</p> <p>If after this review, the percentage calculated is still over 15%, HUD will request repayment of the dollar amount in excess of the 15% limit as a “Finding of Noncompliance” in the final CAPER letter.</p>



*Compliance Check*

## Part V: Planning and Program Administration Cap

This section identifies the calculations used to determine the limit (cap) on funds obligated for planning and program administration activities during the current program year. It is one part of the two-part test for planning and program administration caps required under the Grants Based Accounting (GBA) interim rule. Under the program year obligation test, grantees are required to limit the amount of CDBG funds obligated for planning plus program administrative costs during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year plus the program income received by the recipient and its subrecipients during the program year.

This section does not contain the second part of the two-part test, the origin year expenditure test. HUD has developed a new IDIS report, “PR26 – Activity Summary by Selected Grant” to determine compliance for the origin year expenditure test. Directions on how to review for the second part of the test can be found in the next section of this troubleshooting guide.

<b>PART V: PLANNING AND ADMINISTRATION (PA) CAP</b>	
37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	356,374.56
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0.00
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	356,374.56
42 ENTITLEMENT GRANT	2,047,931.00
43 CURRENT YEAR PROGRAM INCOME	215,071.69
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	0.00
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	2,263,002.69
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	15.75%

### Report

### IDIS

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#### **Disbursed in IDIS for Planning & Administration**

The amount disbursed in IDIS for planning and administration is pulled by matrix code. Each activity in this total is listed on the line 37 detail report. To review for accuracy, sort the PR03 report by matrix code. The sort will group all of the planning and administration activities together at the bottom of the report to make it easier to review them. Add up the activities listed as planning and administration activities. The relevant planning and administration codes are 19A, 19B, 20, 21A - 21J. If additional detail is needed, use the PR05 report to review all of the draws made for these activities.

If any activity is missing or improperly reported, the CDBG activity setup detail screen in IDIS should be corrected. After all corrections have been completed, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2015	25	3051	5889716	CARDINAL VALLEY REDEV FEASIBILITY	21A		\$16,312.50
2015	25	3051	5900533	CARDINAL VALLEY REDEV FEASIBILITY	21A		\$14,501.00
2015	25	3051	5904982	CARDINAL VALLEY REDEV FEASIBILITY	21A		\$17,640.00
2015	25	3051	5913804	CARDINAL VALLEY REDEV FEASIBILITY	21A		\$20,609.00
					<b>21A</b>	<b>Matrix Code</b>	<b>\$313,176.89</b>
2013	17	2920	5856840	FAIR HOUSING	21D		\$3,029.54
2014	4	3014	5856840	FAIR HOUSING	21D		\$4,070.18
2014	4	3014	5859989	FAIR HOUSING	21D		\$3,674.15
2014	4	3014	5884585	FAIR HOUSING	21D		\$14,386.76
2014	4	3014	5889716	FAIR HOUSING	21D		\$3,583.50
2014	4	3014	5900533	FAIR HOUSING	21D		\$1,447.46
2014	4	3014	5913804	FAIR HOUSING	21D		\$10,303.34
2014	4	3014	5936488	FAIR HOUSING	21D		\$2,702.74
					<b>21D</b>	<b>Matrix Code</b>	<b>\$43,197.67</b>
<b>Total</b>							<b>\$356,374.56</b>

**Report IDIS**  
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**How to Review**

**Planning & Administration Unliquidated Obligations at End of the Current Program Year**

The amount reported on this line is the amount of expenditures that have been accrued but not paid as of the end of the current program year.

The amount reported on this line should equal the cumulative amount of balances for all the open planning and administration activities in IDIS.

- Use the PR03 (BOSMAC original) report to review. Filter the report by planning and administration activities (matrix codes 19A, 19B, 20, 21A - 21J). The “Balance” column may be used as a starting point in determining the unliquidated obligations at the end of the program year. When determining unliquidated obligations remember that a funded activity in IDIS does not automatically mean funds have been obligated. (See Note below). Instruction on determining the amount to be entered on line 38 is provided in Exhibit A.

Note: Keep in mind, the activity funded amount does not necessarily represent the amount of funds obligated. A grantee may have an obligation not on record in the PR03 report. Unrecorded obligations can occur when a grantee keeps its own set of records separate from IDIS. Here are two different examples.

- Example 1: A grantee funds a consultant to create annual action plans for 2015 and 2016. It a grantee awards \$50,000 over two years for the consultant but funded the activity at \$30,000 the first year, then the obligation would show as \$50,000 and the grantee would have \$20,000 as unliquidated obligations. However, in the PR03 report the activity would have a “0” balance.
- Example 2: Conversely, a funded activity in IDIS does not mean it is obligated. Obligation occurs when the activity is legally under contract (a signed agreement). If a grantee agreed to fund a consultant but did not execute a contract before the end of the program year, the activity may be set up in IDIS and funded at \$20,000, but the funds are not obligated, so there are no unliquidated obligations.

<b>Report Line</b>	<b>IDIS Generated</b>	<b><u>How to Review</u></b>
<b>39</b>		<p><b>Planning &amp; Administration Unliquidated Obligations at End of Previous Program Year</b></p> <p>The amount reported on this line is the total unliquidated obligations for all planning and administration activities reported in the <u>previous</u> year’s PR26 report that disbursed during the current reporting period.</p> <ul style="list-style-type: none"> <li>• The amount in this line should equal line 38 + line 40 of the prior program year’s PR26 report.</li> <li>• Instructions on determining the amount to be entered on line 39 is provided in Exhibit A.</li> </ul>
<b>40</b>		<p><b>Adjustments to Compute Total Planning &amp; Administration Obligations</b></p> <p>The amount reported on this line is the total accrued expenditures and any unliquidated obligations for planning and administrative activities not included on line 37 or line 38 as of the end of the reporting period. These are activities with matrix codes 19A, 19B, 20, 21A - 21J.</p> <p>If any adjustments need to be made for planning and administration, enter it here and provide a narrative explanation for the adjustments by activity and amount. Grantees must maintain documentation to support all adjustments made on the PR26 report.</p>
<b>41</b>	✓	<p><b>Total Planning &amp; Administration Obligations</b></p> <p>The amount reported on this line is the total of line 37 + line 38 – line 39 + line 40.</p>
<b>42</b>	✓	<p><b>Entitlement Grant</b></p> <p>This is the authorized amount of the grant as recorded in IDIS. This amount should match the amount reported in line 02 – Entitlement Grant. Any corrections made to the entitlement grant amount should be reported on line 44 - Adjustments to Compute Total Subject to Planning &amp; Administration Cap.</p>
<b>43</b>	✓	<p><b>Current Year Program Income</b></p> <p>The amount reported on this line is the grantee’s <u>current</u> year program income. Current year program income is used to calculate the planning and program administration cap.</p> <p>Any corrections made to the current year program income should be reported on line 44 – Adjustments to Compute Total Subject to Planning &amp; Administration Cap.</p>

<b>Report Line</b>	<b>IDIS Generated</b>	<b><u>How to Review</u></b>
<b>44</b>		<p><b>Adjustments to Compute Total Subject to Planning &amp; Administration Cap</b></p> <p>If any corrections were needed on line 42 or line 43, report the adjustments on this line. Other adjustments that may occur on this line include:</p> <ul style="list-style-type: none"> <li>• If the grantee made adjustments on line 7 (Adjustment to Compute Total Available) of the <u>prior</u> year’s report for program income, this amount should be entered here as well.</li> <li>• If reallocated funds received later in the reporting period have not been included in line 42 (Entitlement Grant), report the funds here.</li> </ul> <p>A narrative explanation should be provided for each activity by name, number, and dollar amount expended during the reporting period. Grantees must maintain documentation to support all adjustments made on the PR26 report.</p>
<b>45</b>	✓	<p><b>Total Subject to Planning &amp; Administration Cap</b></p> <p>The amount reported on this line is the total of line 42 + line 43 + line 44.</p>
<b>46</b>	✓	<p><b>Percent Funds Obligated for Planning &amp; Administration Activities (Program year obligation test)</b></p> <p>This line calculates the percentage of funds obligated for planning and administration activities. This information is used to determine if the maximum threshold, not more than 20%, has been exceeded.</p> <p>The calculation is the result of dividing line 41 by line 45. If the calculation exceeds the maximum threshold of 20%, review the entries on this report to confirm they are correct and if all adjustments have been made. Particular attention should be taken to ensure all completed CDBG activities have been correctly closed out. After correcting improperly closed out activities, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report on the following day.</p> <p>If after this review, the percentage calculated is still over 20%, HUD will request repayment of the dollar amount in excess of the 20% limit as a “Finding of Noncompliance” in the final CAPER letter.</p>



**Compliance Check**

# REVIEWING THE PR26 ACTIVITY SUMMARY BY SELECTED GRANTEE

## Reviewing for the Origin Year Expenditure Test

HUD has developed a new IDIS report, “PR26 – Activity Summary by Selected Grant”. This report can be used to determine compliance for the origin year expenditure test. This is the second part of the two-part test for planning and program administration caps required under the grant-based accounting interim rule. This report should be used to determine if a grantee has limited the amount of CDBG funds expended for planning plus program administration costs from any origin year grant. 24 CFR 570.200(g)(1) states that no more than 20 percent of any origin year grant shall be expended for planning and program administrative costs, as defined in §570.205 and §570.206 respectively, for 2015 CDBG origin year grants and subsequent grants.

Total Grant Amount for 2014 Grant year = \$1,269,701.00														
State	Grantee Name	Grant Year	Grant Number	Activity Group	Matrix Code	National Objective	IDIS Activity	Activity Status	Amount Funded From Selected Grant	Amount Drawn From Selected Grant	% of CDBG Drawn From Selected Grant/Grant	Total CDBG Funded Amount (All Years All Sources)	Total CDBG Drawn Amount (All Years All Sources)	
GA	Athens	2014	B14MC130007	Acquisition	01	LMH	971	Completed	\$124,813.65	\$124,813.65		\$180,813.69	\$180,813.69	
GA	Athens	2014	B14MC130007	Acquisition	01	LMH	975	Open	\$77,481.70	\$77,481.70		\$195,815.00	\$142,219.56	
GA	Athens	2014	B14MC130007	Acquisition	04	LMC	989	Completed	\$4,666.00	\$4,666.00		\$4,666.00	\$4,666.00	
GA	Athens	2014	B14MC130007	Acquisition	04	LMC	991	Open	\$26,902.51	\$26,902.51		\$45,334.00	\$27,035.00	
				<b>Acquisition</b>					<b>\$233,863.86</b>	<b>\$233,863.86</b>	<b>18.42%</b>	<b>\$426,628.69</b>	<b>\$354,734.25</b>	
GA	Athens	2014	B14MC130007	Administrative And Planning	21A		970	Completed	\$136,648.02	\$136,648.02		\$253,940.20	\$253,940.20	
				<b>Administrative And Planning</b>					<b>\$136,648.02</b>	<b>\$136,648.02</b>	<b>10.76%</b>	<b>\$253,940.20</b>	<b>\$253,940.20</b>	
GA	Athens	2014	B14MC130007	Economic Development	18B	LMD	976	Completed	\$38,118.79	\$38,118.79		\$72,753.51	\$72,753.51	
GA	Athens	2014	B14MC130007	Economic Development	18B	LMD	978	Completed	\$55,688.07	\$55,688.07		\$73,855.74	\$73,855.74	
GA	Athens	2014	B14MC130007	Economic Development	18C	LMC	977	Completed	\$35,638.43	\$35,638.43		\$86,413.00	\$86,413.00	
				<b>Economic Development</b>					<b>\$129,445.29</b>	<b>\$129,445.29</b>	<b>10.19%</b>	<b>\$233,022.25</b>	<b>\$233,022.25</b>	

This report separates activities into groups. Review the Administration and Planning Activity Group for each origin year grant.

### IDIS Generated

### How to Review



#### **Amount Funded from Selected Grant**

This line reports the amount funded for each IDIS activity for the identified grant year. Review the amount funded and confirm the activities have been properly reported in IDIS. If an activity is missing or improperly reported, correct the information in IDIS. Repeat this step for each grant year with planning and administration funds. After all corrections have been completed, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report in the following day.

Total Grant Amount for 2014 Grant year = \$1,269,701.00													
State	Grantee Name	Grant Year	Grant Number	Activity Group	Matrix Code	National Objective	IDIS Activity	Activity Status	Amount Funded From Selected Grant	Amount Drawn From Selected Grant	% of CDBG Drawn From Selected Grant/Grant	Total CDBG Funded Amount (All Years All Sources)	Total CDBG Drawn Amount (All Years All Sources)
GA	Athens	2014	B14MC130007	Acquisition	01	LMIH	971	Completed	\$124,813.65	\$124,813.65		\$180,813.69	\$180,813.69
GA	Athens	2014	B14MC130007	Acquisition	01	LMIH	975	Open	\$77,481.70	\$77,481.70		\$195,815.00	\$142,219.56
GA	Athens	2014	B14MC130007	Acquisition	04	LMC	989	Completed	\$4,666.00	\$4,666.00		\$4,666.00	\$4,666.00
GA	Athens	2014	B14MC130007	Acquisition	04	LMC	991	Open	\$26,902.51	\$26,902.51		\$45,334.00	\$27,035.00
				Acquisition					\$233,863.86	\$233,863.86	18.42%	\$426,628.69	\$354,734.25
GA	Athens	2014	B14MC130007	Administrative And Planning	21A		970	Completed	\$136,648.02	\$136,648.02		\$253,940.20	\$253,940.20
				Administrative And Planning					\$136,648.02	\$136,648.02	10.76%	\$253,940.20	\$253,940.20
GA	Athens	2014	B14MC130007	Economic Development	18B	LMD	970	Completed	\$38,118.79	\$38,118.79		\$72,753.51	\$72,753.51
GA	Athens	2014	B14MC130007	Economic Development	18B	LMD	978	Completed	\$55,688.07	\$55,688.07		\$73,855.74	\$73,855.74
GA	Athens	2014	B14MC130007	Economic Development	18C	LMC	977	Completed	\$35,638.43	\$35,638.43		\$86,413.00	\$86,413.00
				Economic Development					\$129,445.29	\$129,445.29	10.19%	\$233,022.25	\$233,022.25

**IDIS  
Generated**

**How to Review**



**Amount Drawn from Selected Grant**

This line reports disbursements by IDIS activity for the identified grant. Review each amount drawn. If needed, use the PR07 report to reconcile vouchers to the draws made for these activities.

- Activities improperly disbursed as planning and administration should be returned to the line-of-credit (LOC) for the origin grant year.
- Repeat for each grant year with planning and administration funds.
- After all corrections have been completed, run the PR26 report again. As with any Microstrategy report, corrections will be reflected in the report in the following day.



**% of CDBG Drawn from Selected Grant**

This line reports the percentage of CDBG funds expended for the origin year grant. This information is used to determine if the maximum threshold, not more than 20%, for administration and planning expenditures, has been exceeded.

If the calculation exceeds the maximum threshold of 20%, review the entries in this report to confirm they are correct and all adjustments have been made in IDIS.

- If the grantee has expended 100% of its CDBG funds for a specific origin year grant and the percentage calculated is over 20%, HUD will request repayment of the dollar amount in excess of the 20% limit as a "Finding of Noncompliance" in the final CAPER letter.



**Compliance Check**

**EXHIBIT A**

**Example of Unliquidated Obligations for Public Service Activities – Completing Line 28 & 29**

**Line 28: Public Service Unliquidated Obligations at End of Current Program Year**

The amount entered here should be the total unliquidated obligations for all open public service activities. Use the PR03 (BOSMAC original) report as a reference to review line 28. First filter the PR03 report by public service activities. The “Balance” column may be used as a starting point in determining the unliquidated obligations at the end of the program year. When determining unliquidated obligations remember that a funded activity in IDIS does not automatically mean funds have been obligated. (See Line 28 for addition detail.)

**Line 29: Public Service Unliquidated Obligations at End of Previous Program Year**

All reported public service activity unliquidated obligations should have been entered into IDIS. Using the previous year’s PR26 report, the amount entered on line 29 should equal line 28 or line 30 from the prior year PR26. Whether it is line 28 or line 29 is dependent upon where (on which line) the grantee manually entered/updated unliquidated obligations for the prior year’s report.

Action Plan Year	Award	2011 PS Obligated	Disbursed in 2011	Balance end of 2011	2012 PS Obligated	Disbursed in 2012	Balance end of 2012	2013 PS Obligated	Disbursed in 2013	Balance end of 2013
2011	100,000.00	15,000.00	1,000.00	14,000.00	0.00	10,000.00	4,000.00		1,000.00	3,000.00
2012	120,000.00				15,600.00	9,000.00	6,600.00		5,000.00	1,600.00
2013	140,000.00							19,600.00	18,000.00	1,600.00
<b>TOTALS</b>	<b>360,000.00</b>	<b>15,000.00</b>	<b>1,000.00</b>	<b>14,000.00</b>	<b>15,600.00</b>	<b>19,000.00</b>	<b>10,600.00</b>	<b>19,600.00</b>	<b>24,000.00</b>	<b>6,200.00</b>

PR26	Program Yr. 2011	Program Yr. 2012	Program Yr. 2013
27 DISBURSED IN IDIS FOR PUBLIC SERVICES	1,000.00	19,000.00	24,000.00
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	14,000.00	10,600.00	6,200.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00	14,000.00	10,600.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00	0.00	0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	15,000.00	15,600.00	19,600.00
32 ENTITLEMENT GRANT	100,000.00	120,000.00	140,000.00
33 PRIOR YEAR PROGRAM INCOME	0.00	0.00	0.00
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00	0.00	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	100,000.00	120,000.00	140,000.00
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	15.0%	13.0%	14.0%

### Example of Unliquidated Obligations for Planning & Administration Activities – Completing Lines 38 & 39

#### Line 38: PA Unliquidated Obligations at End of the Current Program Year

The amount entered here should be equal to the balances for all the open planning and administration activities. Use the PR03 (BOSMAC original) report as a reference to review line 38. First filter the PR03 report by planning and administration activities. The “Balance” column may be used as a starting point in determining the unliquidated obligations at the end of the program year. When determining unliquidated obligations remember that a funded activity in IDIS does not automatically mean funds have been obligated. Note: The activity funded amount, however, does not necessarily represent the amount of funds obligated. (see Line 38 for addition detail.)

#### Line 39: PA Unliquidated Obligations at End of Previous Program Year

All reported planning and administration activity unliquidated obligations that disbursed during the current reporting period should have been entered into IDIS. Using the previous year’s PR26 report, the “Obligated” columns in the PR03 (BOSMAC original) should be the amount reported in line 38.

Action Plan Year	Award	2011 PA 18% Obligated	Disbursed in 2011	Balance end of 2011	2012 PA 20% Obligated	Disbursed in 2012	Balance end of 2012	2013 PA 17% Obligated	Disbursed in 2013	Balance end of 2013
2011	100,000.00	18,000	7,000.00	11,000.00	0.00	9,000.00	2,000.00		2,000.00	3,000.00
2012	120,000.00				24,000.00	16,000.00	8,000.00		7,000.00	1,600.00
2013	140,000.00							23,800.00	22,000.00	1,600.00
<b>TOTALS</b>	<b>360,000.00</b>	<b>18,000.00</b>	<b>7,000.00</b>	<b>11,000.00</b>	<b>24,000.00</b>	<b>25,000.00</b>	<b>10,000.00</b>	<b>23,800.00</b>	<b>31,000.00</b>	<b>2,800.00</b>
<b>PR26</b>					<b>PGY 2011</b>	<b>PGY 2012</b>	<b>PGY 2013</b>			
37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION					7,000.00	25,000.00	31,000.00			
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR					11,000.00	10,000.00	2,800.00			
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR					0.00	11,000.00	10,000.00			
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS					0.00	0.00	0.00			
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 + LINE 40)					18,000.00	24,000.00	23,800.00			
42 ENTITLEMENT GRANT					100,000.00	120,000.00	140,000.00			
43 PRIOR YEAR PROGRAM INCOME					0.00	0.00	0.00			
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP					0.00	0.00	0.00			
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)					100,000.00	120,000.00	140,000.00			
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)					18.0%	20.0%	17.0%			

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