



## Legislation Text

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**File #:** 0850-2016, **Version:** 1

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**BACKGROUND:** The U.S. Department of Housing and Urban Development (HUD) requires grantees and their subrecipients to maintain Community Development Block Grant (CDBG) revolving loan funds in interest bearing accounts, and to remit said interest to the federal treasury no less frequently than annually. During 2015, the city's revolving loan fund earned interest of \$17,061.16. Per 2 CFR 200, the city is permitted to retain \$500 of earned interest for administrative costs; therefore, the amount to be remitted is \$16,561.16. The amount budgeted in the revolving loan subfund for the 2016 expenditure of 2015 interest earnings to HUD is \$16,000, a shortfall of \$561.16. This legislation will transfer funding from the CDBG entitlement subfund to the revolving loan subfund and will authorize the expenditure of monies from the revolving loan subfund to remit 2015 interest earnings to HUD for the U.S. Treasury.

This legislation is presented as an emergency to facilitate the timely remittance of monies to HUD.

**FISCAL IMPACT:** Interest earnings have been deposited into the CDBG revolving loan fund and are available for disbursement to HUD from said fund.

To authorize the City Auditor to transfer \$561.16 between subfunds of the Community Development Block Grant Fund; to authorize the Director of the Department of Finance and Management to expend \$16,561.16 from the CDBG revolving loan fund for payment of interest earnings to the U.S. Department of Housing and Urban Development (HUD); and to declare an emergency. (\$16,561.16)

**WHEREAS,** federal regulations require Community Development Block Grant (CDBG) grantees and subrecipients to remit to the federal treasury investment earnings paid on CDBG revolving loan accounts; and

**WHEREAS,** interest earnings have been deposited into the CDBG revolving loan subfund and are available for this expenditure; and

**WHEREAS,** a transfer of funds between the entitlement subfund and the revolving loan subfund is needed to align monies for the expenditure; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Finance and Management, in that it is immediately necessary to expend and remit the aforementioned funds to HUD, thereby preserving the public health, peace, property, safety and welfare; **Now, Therefore**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the City Auditor is hereby authorized to transfer \$561.16 between subfunds within Fund 2248, the Community Development Block Grant Fund per the accounts codes in the attachment to this ordinance.

**SECTION 2.** That the director of the Department of Finance and Management is hereby authorized to expend \$16,561.16 from Fund 2248, the Community Development Block Grant Fund in object class 05 Other Expenditures per the accounting codes in the attachment to this ordinance.

**SECTION 3.** That the expenditure authorized in Section 2 shall be in the form of a wire transfer to HUD as follows: \$16,561.16 to the U.S. Treasury for 2015 CDBG revolving loan fund interest earnings.

**SECTION 4.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.