



## Legislation Details (With Text)

**File #:** 3340-2022      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 11/18/2022      **In control:** Finance Committee

**On agenda:** 12/5/2022      **Final action:** 12/7/2022

**Title:** To authorize the Director of Finance and Management to initiate a transaction to reimburse the Community Development Block Grant (CDBG) Program funded by the U.S. Department of Housing and Urban Development (HUD) \$1,009,626.80 due to ineligible costs having been charged to the program; to authorize the transfer of \$1,009,626.80 within the General Fund; to authorize the expenditure of \$1,009,626.80 from the General Fund; and to declare an emergency. (\$1,009,626.80)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ORD 3340-2022 Template - Return of Funds (DoN - \$1,009,626.pdf)

Date	Ver.	Action By	Action	Result
12/7/2022	1	CITY CLERK	Attest	
12/6/2022	1	MAYOR	Signed	
12/5/2022	1	COUNCIL PRESIDENT	Signed	
12/5/2022	1	Columbus City Council	Approved	Pass

**BACKGROUND:** The City received Community Development Block Grant (“CDBG”) funds between January 1, 2017 and December 31, 2020 from the United States Department of Housing and Urban Development (“HUD”). In connection with acceptance of CDBG funding, the City is required to comply with the provisions of the Uniform Administrative Requirements, *Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Certain labor expenditures totaling \$1,009,626.80 were identified during the Department of Finance and Management’s internal review that did not contribute to CDBG program activities and, therefore, were not reimbursable from CDBG. Pursuant to HUD’s Return of Funds guidance, the City must return the funds via wire transfer. This ordinance is necessary to provide for the required reimbursement.

**FISCAL IMPACT:** This ordinance authorizes the transfer and expenditure of \$1,009,626.80 from the General Fund to reimburse the Community Development Block Grant program.

**EMERGENCY DESIGNATION:** Emergency action is requested to allow the financial transaction to be processed as soon as possible and to mitigate risk of potential penalties from untimely action.

To authorize the Director of Finance and Management to initiate a transaction to reimburse the Community Development Block Grant (CDBG) Program funded by the U.S. Department of Housing and Urban Development (HUD) \$1,009,626.80 due to ineligible costs having been charged to the program; to authorize the transfer of \$1,009,626.80 within the General Fund; to authorize the expenditure of \$1,009,626.80 from the General Fund; and to declare an emergency. (\$1,009,626.80)

**WHEREAS,** the City received funds from the United States Department of Housing and Community Development (“HUD”) for the Community Development Block Grant (“CDBG”) Program; and

**WHEREAS**, expenditures charged to and reimbursed by CDBG monies must be consistent with the applicable allowable costs and activities regulatory provisions incorporated within the grant agreement; and

**WHEREAS**, internal City review of expenditures identified certain instances in which labor costs that did not contribute to CDBG Program activities were charged to the CDBG Program; and

**WHEREAS**, the City is required to reimburse the CDBG Program the value of the costs that were improperly charged; and

**WHEREAS**, HUD's *Instructions for Returning Funds to the Line of Credit and to U.S. Treasury* guidance requires reimbursements to the CDBG Line of Credit to be made via wire transfer; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Finance and Management in that it is immediately necessary to authorize the Director to return \$1,009,626.80 to mitigate risk of potential penalties from untimely action, for the preservation of 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 Director of the Department of Finance and Management is hereby authorized to initiate a transaction in the amount of \$1,009,626.80 to reimburse the Community Development Block Grant ("CDBG") Program;

**SECTION 2.** That the transfer of \$1,009,626.80, or so much thereof as may be needed, is hereby authorized within Fund 1000 General Fund, from Dept-Div 4501, Object Class 03 to Dept-Div 4801 Department of Neighborhoods, Object Class 05 per the accounting codes in the attachment to this ordinance.

**SECTION 3.** That for the purpose stated in Section 1, the expenditure of \$1,009,626.80 is hereby authorized in Fund 1000, per the accounting codes in the attachment to this ordinance.

**SECTION 4.** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

**SECTION 5.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all modifications associated with this ordinance.

**SECTION 6.** 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 passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.