



Legislation Text

File #: 1254-2017, **Version:** 1

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 2016, the city's revolving loan fund earned interest of \$19,335. Per 2 CFR 200, the city is permitted to retain \$500 of earned interest for administrative costs; therefore, the amount to be remitted is \$18,835. The amount budgeted in the revolving loan subfund for the 2017 expenditure of 2016 interest earnings to the federal treasury is \$16,000, a shortfall of \$2,835. 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 2016 interest earnings to the U.S. Department of Health and Human Services (HHS) in lieu of HUD, for the U.S. Treasury.

FISCAL IMPACT: Interest earnings have been deposited into the CDBG revolving loan fund and are available for disbursement to HHS from said fund. Interest payments of \$16,561.16 and \$14,603.31 were made for years 2015 and 2014 respectively.

To authorize the City Auditor to transfer \$2,835.00 between subfunds of the Community Development Block Grant Fund; and to authorize the Director of the Department of Finance and Management to expend \$18,835.00 from the CDBG revolving loan fund for payment of interest earnings to the U.S. Department of Health and Human Services (HHS). (\$18,835.00)

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; **Now, Therefore**

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

SECTION 1. That the City Auditor is hereby authorized to transfer \$2,835 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 \$18,835 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 HHS as follows: \$18,835 to the U.S. Treasury for 2016 CDBG revolving loan fund interest earnings.

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 this ordinance shall take effect and be in force from and after the earliest period allowed by law.