



Legislation Text

File #: 0732-2020, **Version:** 1

BACKGROUND: This ordinance authorizes the Finance and Management Director to reimburse \$1,337,021.40 in grant proceeds to the U.S. Department of Housing and Urban Development (HUD). These funds are comprised of \$151,945.99 to the Housing Opportunities for Persons with Aids (HOPWA) program and \$1,185,075.41 to the Community Development Block Grant (CDBG) program. In both cases, these funds were drawn down by the City of Columbus for the 2019 grant award period, however these proceeds are related to the 2017 and 2018 award periods, thus necessitating a grant correction. This ordinance also authorizes the City Auditor to process \$56,648.09 in expenditure corrections and \$1,337,021.40 in revenue corrections. These expenditure corrections represent grant eligible personnel costs that were applied to the 2019 fiscal year, however these actually apply to the 2018 fiscal year, thus necessitating an expenditure correction. The revenue corrections represent \$1,337,021.40 in eventual grant proceeds that will need to be repaid to the General Fund.

Emergency action is requested in order to properly classify the U.S. Department of Housing and Urban Development (HUD) reimbursements for eligible expenses, and to ensure that these correcting transactions can be processed as soon as possible.

FISCAL IMPACT: This ordinance authorizes the reimbursement of \$1,337,021.40 in grant proceeds to the U.S. Department of Housing and Urban Development. The reimbursement is an accounting correction. There is no fiscal impact. These corrections will reclassify revenues and expenses that were incorrectly drawn from prior year grant funds. In addition, funds will be returned to HUD, then the City of Columbus will draw the funds using the appropriate grant years to comply with HUD guidance.

To authorize the Finance and Management Director to reimburse \$1,337,021.40 in grant proceeds to the U.S. Department of Housing and Urban Development (HUD); to authorize the appropriation and expenditure of \$1,337,021.40 from the General Fund, Basic City Services Subfund; to authorize the City Auditor to appropriate and process \$56,648.09 in expenditure corrections for the CDBG Fund; and to declare an emergency (\$1,393,669.49)

WHEREAS, the Department of Finance and Management needs to reimburse grant funds to the U.S. Department of Housing and Urban Development (HUD), pursuant to HUD procedure, which were originally drawn from the City's line of credit accounts with HUD; and

WHEREAS, the Department of Finance and Management desires to authorize the City Auditor to process expenditure corrections for CDBG Funds and HOPWA Funds; and

WHEREAS, these reimbursement of funds and expenditure corrections are necessary so that grant proceeds can eventually be drawn down from the correct grant period(s); and

WHEREAS, the General Fund, Basic City Services Subfund will be reimbursed via revenue corrections processed after the correct Grant draws have been executed; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Finance and Management, in that it is immediately necessary to appropriate and reimburse said funds pursuant to HUD procedure, 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 Director of the Department Finance and Management is hereby authorized to reimburse funds to the U.S. Department of Housing and Urban Development from which the original dollars were drawn, and that any future refunds or repayments required by the grantor, are hereby authorized in accordance with all applicable grant agreements.

SECTION 2. That from the unappropriated monies in the fund known as the General Fund, Basic City Services Subfund 1000-100017 and from all monies estimated to come into said funds from any and all sources during the fiscal year ending December 31, 2020, the sum of \$1,337,021.40 is hereby appropriated to the Department of Finance and Management; per the account codes in the attachment to this ordinance.

SECTION 3. That the expenditure of \$1,337,021.40, or so much thereof as may be necessary in regard to the actions authorized in SECTION 1, is hereby authorized in the General Fund, Basic City Services Subfund 1000-100017 in Object Class 05 - Other Expenditures, per the accounting codes in the attachment to this ordinance.

SECTION 4. That the transfer of appropriations within the fund known as the CDBG Fund 2248 and from all monies estimated to come into said funds from any and all sources during the fiscal year ending December 31, 2020, the appropriated sum of \$56,648.09 is hereby authorized to be transferred from Dept-Div 4501 Financial Management Fund 2248-224806 to Dept-Div 4501 Financial Management Fund 2248-224805; per the account codes in the attachment to this ordinance

SECTION 5. That the City Auditor is hereby authorized to process \$56,648.09 in expenditure corrections per the accounting codes in the attachment to this ordinance.

SECTION 6. That the City Auditor is hereby authorized to process \$1,337,021.40 in revenue corrections once such revenues are received per the accounting codes in the attachment to this ordinance

SECTION 7. That the monies appropriated in the foregoing Section 1 shall be paid upon the order of the Director of the Department of Finance and Management and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

SECTION 8. 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.