



## Legislation Text

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**File #:** 0206-2021, **Version:** 1

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**BACKGROUND:** The purpose of this legislation is to return \$69,094.82 to the U.S. Department of Housing and Urban Development (HUD) for interest earned on eligible Community Development Block Grant (CDBG) funds in fiscal year 2020. HUD requires grantees and their subrecipients to maintain CDBG entitlement funds (CDBG Fund 2248) and revolving loan funds (RLF Fund 2249) in interest bearing accounts and to remit any earned interest to the federal treasury no less frequently than annually. During the fiscal year 2020, the CDBG entitlement fund earned \$15,707.53 and the revolving loan funds earned \$53,887.29 for a total earned interest of \$69,594.82. Per 2 CFR 200, the city is permitted to retain \$500 of earned interest for administrative costs; therefore, the amount to be remitted is \$69,094.82.

**FISCAL IMPACT:** Interest earnings have been deposited into the CDBG entitlement fund and revolving loan fund and are available for disbursement to HUD from said funds. (\$69,094.82)

To authorize the appropriation of \$15,207.53 within the CDBG Entitlement Fund 2248 and \$53,887.29 within the CDBG Revolving Loan Fund 2249; and to authorize the Director of the Department of Finance and Management to expend \$15,207.53 from the CDBG Fund 2248 and \$53,887.29 from the RLF Fund 2249 for payment of interest earnings to the U.S. Department of Housing and Urban Development. (\$69,094.82)

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

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

**WHEREAS,** it is necessary to authorize the appropriation of \$15,207.53 within the CDBG Fund 2248 and \$53,887.29 within the RLF Fund 2249; and

**WHEREAS,** it has become necessary in the usual daily operation of the Department of Finance and Management to authorize the Director to expend such amounts as required for payment of interest earnings totaling \$69,094.82; **Now, Therefore**

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

**SECTION 1.** That from the unappropriated monies in the fund known as the CDBG Fund, Fund 2248, and CDBG Revolving Loan Fund, Fund 2249, and from all monies estimated to come into said fund from any and all sources during the fiscal year ending December 31, 2021, the sum of \$69,094.82 is hereby appropriated per the accounting codes in the attachment to this ordinance.

**SECTION 2.** That the director of the Department of Finance and Management is hereby authorized to expend \$15,207.53 from Fund 2248, the Community Development Block Grant Fund, and \$53,887.29 from Fund 249, the Revolving Loan 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 U.S. Treasury as follows: \$69,094.82 to the U.S. Treasury for 2020 CDBG interest earnings.

**SECTION 3.** 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 4.** That this ordinance shall take effect and be in force from and after the earliest period allowed by law.