

2019 DRU-CDBG Boot Camp



Program Income
Jessica Gosserand
Edwin Legnon



March 2019

Program Income

Gross income received by the recipient or a subrecipient directly generated from the use of CDBG funds (24 CFR 570.500)

Some examples are:

- Fees for services performed,
- Use or rental of real or personal property acquired under Federal awards,
- Sale of commodities or items fabricated under a Federal award,
- License fees and royalties on patents and copy rights, and
- Principal and interest on loans made with Federal award funds



Program Income

Exceptions

PI does not include any

- Income received in a single program year by the recipient and all its subrecipients if the total amount does not exceed \$35,000
 - Must add together all PI earned by grantee and subs to determine if under threshold
 - Risky to assume will be under cap and spend income on ineligible items unless absolutely certain income will not exceed threshold
- Funds generated by a community based development organization (CBDO) under an eligible 105(a)(15) Non Profit entity



Program Income

First In – First Out (FIFO)

Must use PI prior to drawing new funds from DRGR

- PI cannot be held for specific projects
- PI cannot be banked, except while waiting to use it, and without earning interest
- Exception – Revolving Loan Funds

Note OCD-DRU received a waiver from HUD for K/R and G/I



Program Income

Revolving Loan Fund

A separate fund established for the purpose of carrying out specific activities which, in turn, generate payments to the fund for use in carrying out the same activity.

24 CFR 570.500(b)

- Must use funds in RLF for next activity with same purpose as RLF
- Must be in an interest bearing account where interest on funds is remitted to HUD
- RLF in DRGR as separate project
- Each activity must meet a national objective



Program Income

Parish Held PI

If approved by OCD-DRU, PI may be retained by the parish for CDBG eligible infrastructure, housing, economic development, fisheries, agriculture, coastal restoration, public service and/or administration activities.

Parish requirements:

- Submit quarterly reports to OCD-DRU tracking revenues, accounts receivable, expenses and accounts payable relating to the PI
- Submit PI Plans describing the projected use of the PI for evaluation to OCD-DRU and approval by OCD-DRU

