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Updated Instructions for Completing the CDBG Financial Summary (PR26) in IDIS

This document provides the latest guidance on how to complete certain adjustment lines for the IDIS CDBG Financial Summary Report (PR26).

When you select the CDBG Financial Summary Report, the first screen you see is a parameter screen that lists only the lines on the report that allow input. The lines on the PR26 that are not included on the parameter screen are completed by IDIS using data that has been previously entered into IDIS.

The Program Year and any adjustments displayed on this screen when you first see it during a session are what you entered when you last ran the report. Depending on the circumstances, these settings may or may not be appropriate for the report you now want to run. (For HQ and Field Office personnel, the settings will apply to the last grantee for which you ran the report.) HUD recommends that users run a default report for the program year in question, i.e., without adjustments, before making adjustments on the C04MU18 report parameter screen. HUD also recommends that you do a print screen each time you run the report with adjustments so that you have an audit trail of prior runs (because at this time, IDIS does not save the data input on the C04MU18 screen).

The major change from previous guidance on completing the PR26 is:

Grantees are now encouraged to NOT enter any amounts in the unliquidated obligations field on the CDBG01 because IDIS does not properly calculate the amount of unliquidated obligations by program year. Unless a grantee zeros out amounts entered for unliquidated obligations for prior years when entering any unliquidated obligations that remain at the end of the current program year, the calculation done by IDIS will not necessarily be accurate.

Since the introduction of the “prior year” flag in the drawdown module of IDIS, most grantees have minimal, if any, unliquidated obligations remaining at the end of the program year. However, if any unliquidated obligations do remain for public service or planning/administration activities at the end of the program year, rather than entering those amounts on the CDBG01 screen for each activity in IDIS, enter the total amounts of unliquidated obligations for public services and planning/administration activities on the appropriate adjustment lines on the C04MU18 screen, i.e., lines 30 and 40, respectively.

Additional tips:

Note that the column on the right side of the C04MU18 (see below) is labeled “Adjustments,” but some of the lines are, in fact, for inputting data that is not available in or cannot be calculated by IDIS at this time for the Financial Summary. Other lines allow the entry of data to adjust the amounts on the lines above them. For example, Line

4 – Section 108 Guaranteed Loan Funds, allows for the entry of Section 108 proceeds received during the year, while Line 30 – Adjustments to Compute Total PS Obligations, allows for the input of an amount that may be needed to adjust the calculation of the amount obligated for public services in the program year. Also, note that after you enter an “Adjustment” amount for a line, before tabbing to the next line, you must tap the “End” key to clear any number on the same line to the right of what you have entered. Usually you will be clearing a “0.00.”

Also, grantees must maintain documentation to support all adjustments made on the PR26 to ensure that they can be reconciled to appropriate accounting records.

Information on activities that would generally be included on Lines 17 and 18 of the report, as well as a list of activities included in the amount that will appear on Line 19, is generated by IDIS when the Financial Summary is run. Therefore, it is strongly recommended that you first run the report without entering any data (or only those amounts that are readily available) so that you will have the information that IDIS can calculate before completing all input/adjustment lines to produce your final Financial Summary Report for the reporting period. It will also enable you to see all line items on the report.

To run the report: a year must be entered in the “Program Year” field on the C04MU18 screen. After typing in the appropriate year and any adjustments, press F9 to save the information; then press F7 to return to the previous screen and submit the report.

The list generated for Line 19 may be several pages in length. It will list activities with a low/mod national objective and the disbursements for those activities, although it will exclude the following: low/mod activities in CDFI or Neighborhood Revitalizations Strategy Areas, as described under Line 17, below; activities generally considered to be multi-unit housing activities, as discussed under Line 18, below; and planning/administration activities. The list does not total the disbursements for individual activities, but the total of all the disbursements on the list is the amount the system enters on Line 19.

Guidance on what should be entered on the adjustment lines on the C04MU18 screen is provided below, but note that *if you need to enter a negative amount* on a line, you *must enter a minus sign in front of the number* when you enter it.

Line 1	<u>Unexpended CDBG Funds at end of Previous Report Period:</u> enter the amount from line 16 of the prior program year’s Financial Summary Report (PR26)
Line 3	<u>Surplus Urban Renewal:</u> enter the amount of any surplus federal urban renewal funds shown on form HUD-7082 executed under this grant during the reporting period. (This amount will generally be \$0.)
Line 4	<u>Section 108 Guaranteed Loan Funds:</u> enter the principal amount of Section 108 loan proceeds received (actual cash received) by the Section 108 borrower during this reporting period for use in carrying out activities approved under the

	Section 108 guaranteed loan fund program. <i>Do not</i> include amounts received in a previous reporting period. Those funds should have been reported in a prior year and, as a result, should be included in the unexpended amount from the prior report period on Line 1.
Line 7	<u>Adjustment to Compute Total Available:</u> enter the sum of any adjustments to the amounts shown on Line 2 (Entitlement Grant); Line 5 (Current Year Program Income); and Line 6 (Returns). For example, program income received by the grantee or subrecipients during the program year that either was <i>not</i> receipted in IDIS or receipted after the end of the program year should be included on Line 7. On the other hand, any program income receipted after the start of the program year that was actually received in the prior program year should be a negative amount for line 7. Also, if the grant amount entered on Line 2 does <i>not</i> include reallocated funds received during the program year, include the reallocated funds on this line.
Line 10	<u>Adjustment to Compute Total Amount Subject to Low/Mod Benefit:</u> enter accrued expenditures (i.e., those not reflected in funds disbursed in IDIS) for all activities (<i>excluding</i> Planning/Administration activities -- matrix codes 19A, 19B, 20, 21A-E, 21H and 21I, and Section 108 repayments -- matrix codes 19F and 19G) as of the end of the reporting period <i>and</i> expenditures during the reporting period for activities not included in IDIS, e.g., Section 108 activities. If you include expenditures for activities not included in IDIS, prepare a list of those activities by name, showing the dollar amount expended for each during the reporting period. Include this list as an attachment to the Financial Summary.
Line 14	<u>Adjustment to Compute Total Expenditures:</u> enter the total of any accrued expenditures for planning and administration activities included on Line 12 (that is, those activities with matrix codes 19A, 19B, 20, 21A-E, 21H and 21I).
Line 17	<u>Expended for Low/Mod Housing in Special Areas:</u> for your use in determining the amount to report on this line, the Financial Summary will generate a list of all activities having the low/mod housing (LMH) national objective <i>and</i> identified as being located in a CDFI or HUD-approved Neighborhood Revitalization Strategy Area (NRSA). [NOTE: location in a CDFI or NRSA is recorded in IDIS on screen CDBG06 in the CDBG path. If a “C” or “S” is entered to “Indicate if the Activity is located in a CDFI Area or Strategy Area,” information on the area is maintained in an IDIS utility table.] Instructions on determining any amount to be entered on Line 17 are provided separately below.
Line 18	<u>Expended for Low/Mod Multi-Unit Housing:</u> to determine the amount for this line, you will need to identify all low/mod multi-unit housing activities that are not in a CDFI or NRSA. To help you do this, the Financial summary will generate a separate list of activities in IDIS with the LMH national objective and the multi-unit housing flag on the CDBG06 screen is “Y”. This includes matrix codes 14B (Rehab., Multi-Unit Residential); 14C (Public Housing Modernization); 14D (Rehab., Other Publicly Owned Residential Buildings); 16A (Residential Historic Preservation); and other matrix codes with the LMH national objective. The activities on this list either are, or most likely are, multi-unit housing activities that are <i>not</i> located in a CDFI or NRSA. Instructions for determining any amount to be entered on Line 18 are provided separately below.

Line 20	<p><u>Adjustment to Compute Total Low/Mod Credit:</u> on this line, enter the total of: --any amount(s) from the “Second” action identified in the section “Instructions for Line 18” below (i.e., amounts expended for any activity(ies) that are not multi-unit housing); --accrued expenditures for activities included in Line 19 (see Note below); --any negative adjustment for activities the system included on Line 19 of the report, but you have “moved” and reported under Line 17 or 18; and --expenditures made during the reporting period for 108 activities meeting a low/mod national objective. (Note: as previously mentioned, a list will be generated by the system that will show the amount of CDBG funds disbursed during the reporting period for each activity included on Line 19 of the report. This list should be used to identify activities for which expenditures should be accrued, as applicable, and included in the total adjustment figure entered on Line 20.)</p>
	<p>Part III of the Financial Summary contains a section for Low/Mod Benefit for Multi-Year Certifications on Line 23—26. Calculations are based on information entered on Lines 23, 24 and 25 of the parameter screen.</p>
Line 23	<p><u>Program years Covered in Certification:</u> a grantee using a multi-year certification should enter the two or three years covered in the certification on this line. One of the years <i>must</i> be the Program Year of the report.</p>
Line 24	<p><u>Cumulative Net Expenditures Subject to Low/Mod Benefit Calculation:</u> enter the total of net expenditures subject to the low/mod benefit calculation (i.e., total expenditures for activities minus expenditures for planning and administration) for the certification period, i.e., the amount from line 11 of the current year’s report plus the amount from line 11 from the report(s) for any prior year(s) included in the period of certification. If the year you are currently reporting on is the first year of the multi-year period, the amount on this line must equal that on line 11.</p>
Line 25	<p><u>Cumulative Expenditures Benefiting Low/Mod Persons:</u> enter the total of expenditures for activities with a low/mod national objective for the certification period, i.e., the amount from line 21 of the current year’s report plus the amount from line 21 from the report(s) for any prior year(s) included in the period of certification. If this is the first year of the multi-year period, the amount on this line must equal that on line 21.</p>
Line 29	<p><u>Public Service (PS) Unliquidated Obligations at End of Previous Program Year (PY):</u> Enter the total amount of any unliquidated obligations for all public service activities reported at the end of the previous reporting period (i.e., normally the amount from Line 28 (including any adjustments from line 30 that apply to Line 28 of the prior year’s PR26 if unliquidated obligations were entered in IDIS on the CDBG01) or the amount from Line 30 (if the amount of unliquidated obligations for the prior year’s report was entered on that line rather than on the CDBG01).</p>
Line 30	<p><u>Adjustment to Compute Total PS Obligations:</u> Enter the total of accrued expenditures <i>and</i> any unliquidated obligations for public service activities (those activities with matrix codes of 03T and 05*) included on Line 27 as of the end of the reporting period. (Unliquidated obligations represent those obligations for</p>

	which an expenditure has not been reported on Line 27 or 30 for this report period.)
Line 34	<u>Adjustment to Compute Total Subject to PS Cap:</u> enter any adjustments that need to be made to Lines 32 and 33. Examples: Line 32, Entitlement Grant, should be reviewed to determine whether reallocated funds received during the reporting period are included; if not, include them in the amount entered on this line. Line 33, Prior Year Program Income, is generated by IDIS, but will <i>not</i> include program income that was not receipted to IDIS during the prior year, nor will it include program income retained by subrecipients that was not receipted to IDIS as of the end of the prior reporting period. Such amounts should be included on this line.
Line 39	<u>Planning and Administration (PA) Unliquidated Obligations at End of Previous PY:</u> Enter the total amount of any unliquidated obligations for all planning and administration activities (activities with a matrix code of 19A, 19B, 20 and 21A-3, 21H and 21I) reported at the end of the previous reporting period (i.e., normally the amount from Line 38 of the previous program year's PR26).
Line 40	<u>Adjustment to Compute Total Planning/Admin. Obligations:</u> Enter accrued expenditures <i>and</i> any unliquidated obligations for planning and administration activities (activities with a matrix code of 19A, 19B, 20 and 21A-E, 21H and 21I) reported at the end of the previous reporting period, i.e., the amount from Line 38 (including any adjustment from Line 40 that applies to Line 38 of the prior year's PR26 if unliquidated obligations were entered in IDIS on the CDBG01) or the amount from Line 40 (if the amount of unliquidated obligations for the prior year's report was entered on that line rather than on the CDBG01).
Line 44	<u>Adjustment to Compute Total Subject to PA Cap:</u> enter the total of any adjustments that need to be made to Lines 42 and 43. Line 42, Entitlement Grant, should be reviewed to determine whether reallocated funds received during the reporting period are included; if not, include them in the amount entered on this line. Line 43, Current Year Program Income, is generated by IDIS but will <i>not</i> include program income that was not receipted to IDIS during the reporting period, nor will it include program income retained by subrecipients that has not been receipted to IDIS during the current reporting period.

Instructions for Line 17: Expended for Low/Mod Housing in Special Areas.

The purpose of this calculation is determine the amount of CDBG funds used for activities under the housing national objective in a CDFI or NRSA that are considered to benefit low- and moderate-income (LMI) persons. In a CDFI/NRSA, grantees are allowed to treat housing activities for which funds are obligated in a program year as a single structure for purposes of determining compliance with the housing national objective. However, the regulation at 570.200(a)(3)(iv) provides that funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under 570.208(a)(3) shall be counted as benefiting LMI persons, but “shall be limited to an amount determined by multiplying the total costs (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low- and moderate-income persons.”

First: review the activities on the list for Line 17 to be sure that they are properly recorded as located in a CDFI/NRSA. If an activity is improperly shown as being in one of these areas, the information should be corrected on the CDBG06 in IDIS and the PR26 report re-run. After being corrected, the activity should no longer show up on this list. However, because it is a low/mod housing (LMH) activity, it will then be included under either Line 18, Expended for Low/Mod Multi-Unit Housing, or Line 19, Disbursed for Other Low/Mod Activities. If, because of time constraints, it is not possible to make the correction(s) and then re-run the report, you will need to exclude the activity from the amount you enter for this line and make an adjustment to include the expenditures on the proper line: if it is a multi-unit housing activity (generally matrix codes 14B, 14C, 14D, and 16A or any activity for which the multi-unit housing flag on the CDBG06 screen is “Y”), add it to the list generated for Line 18. If it is not a multi-unit housing activity, include the disbursements and accrued expenditures for the activity as part of the amount on Line 20, Adjustment to Compute Low/Mod Benefit. Subsequently, you should ensure that the information is corrected on the CDBG06 in IDIS.

Second: review the list of activities in CDFI/NRSAs and confirm that the national objective code of LMH is correct. Then

- (a) If the national objective code should be low/mod but not low/mod housing, a correction should be made for the activity on the CDBG01 in IDIS. If a correction is made and the Financial Summary is re-run, the corrected activity will then be included in the list generated for Line 19, Disbursed for Other Low/Mod Activities. If the information cannot be corrected at this time, you will need to exclude the activity from the amount you enter for this line (Line 17) and make an adjustment to include the expenditures for the activity as part of the amount on Line 20, Adjustment to Compute Low/Mod Benefit. (Note – if the national objective is not LMH, including the activity on Line 18 is not an option.)
- (b) If the national objective code should not be low/mod, exclude the activity from Line 17. It will also be excluded from Lines 18 or 19. However, the national objective must subsequently be corrected in IDIS.

Third: to determine the amount to enter on Line 17, complete the following steps.

- Step 1: If you have more than one CDFI/NRSA, separate the activities on the list (generated as part of the Financial Summary) by CDFI/NRSA. Then, follow Step 2 thru Step 9 for each area, as described below, totaling the amount for all areas under Step 10. If you have only one CDFI/NRSA, complete Steps 2 thru Step 9 for the area and enter the amount of CDBG funds expended for these housing activities for this reporting period on Line 17.
- Step 2: For *each* CDFI/NRSA, calculate the total number of housing units assisted during the reporting period for all activities on the list within that area.
- Step 3: identify the total number of those housing units occupied by low/mod households as of the end of the reporting period.
- Step 4: Divide the amount from Step 3 by the amount from Step 2. This results in the percent occupied by low/mod households.

- Step 5: Identify the total cost for all of the housing units reported under Step 2, including private, other public and CDBG funds.
- Step 6: Identify the total CDBG funds to be used for all of the housing units assisted.
- Step 7: Divide the amount from Step 6 by the amount from Step 5. This results in the percent of total amount paid from CDBG.
- Step 8: if the percent from Step 7 (percent paid from CDBG) is *less* than the percent from Step 4 (percent of units occupied by low/mod households), no further calculation is needed for this CDFI/NRSA. Enter the total amount of CDBG funds expended/drawn for these housing activities on Line 17. However, if you have more than one CDFI/NRSA, make note of the amount of CDBG funds expended/drawn for these activities for use in Step 10.
- Step 9: If the percent from Step 7 (percent paid with CDBG) is *greater* than the percent from Step 4 (percent of units occupied by low/mod households):
 - (a) Multiply the percent from Step 4 (percent occupied by low/mod households) times the amount from Step 5 (total cost).
 - (b) Divide the product from (a) by the amount of CDBG funds to be used for these activities (from Step 6).
 - (c) Multiply the quotient from (b) by the CDBG funds expended (cash disbursed and any accrued expenditures) for these activities during the reporting period. The product is the amount counted for the low/mod benefit calculation.
 - (d) If you have more than one CDFI/NRSA, make note of the product obtained in (c) and repeat Steps 2 – 9 for each remaining area. If you have only one NRSA, enter the product obtained for (c) on Line 17.
- Step 10: If you have more than one CDFI/NRSA, total the amounts obtained from completing Steps 8 and/or 9(c) for each area and enter the sum on Line 17.

Instructions for Line 18: Expended for Low/Mod Multi-Unit Housing.

The purpose of this calculation is to determine the amount of CDBG funds used for multi-unit housing activities that are considered to benefit low- and moderate-income persons. Each multi-unit housing activity is to be set-up in IDIS as a separate activity because each must comply with the housing national objective on its own (although those in a CDFI/NRSA are included in the calculation above for Line 17). The regulation at 570.200(a)(3)(iv) provides that funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under 570.208(a)(3) shall be counted as benefiting LMI persons, but “shall be limited to an amount determined by multiplying the total costs (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low- and moderate-income persons.”

To determine the amount to be entered on this line, you will need to identify all low/mod multi-unit activities that are *not* in a CDFI/NRSA. To help you do this, the Financial Summary will generate a separate list of activities in IDIS with the LMH national objective for which the multi-unit housing flag on the CDBG06 screen is “Y”. This includes matrix codes 14B (Rehab., Multi-Unit Residential); 14C (Public Housing

Modernization); 14D (Rehab., Other Publicly Owned Residential Buildings); and 16A (Residential Historic Preservation); as well as other matrix codes with the LMH national objective. The activities on this list either are, or most likely are, multi-unit housing activities that are *not* located in a CDFI/NRSA.

First: review the activities on the list for this line and determine if all are, in fact, multi-unit activities. The amount expended for any activity(ies) determined to not be multi-unit housing should be excluded from Line 18 and included as part of the amount entered on Line 20. For example, the multi-unit flag on the CDBG06 screen could have been set to “Y” in error; in such case, the amount expended for the activity should be included in the amount entered on Line 20, not on Line 18.

Second: review the list of activities for Line 19, Disbursed for Other Low/Mod Activities. If any activity on the Line 19 list is actually a multi-unit housing activity, it should be included in the calculation at Step 3, below, and a negative adjustment made (using a minus sign) on Line 20 to compensate for removing it from Line 19. (Note that in such case, if a negative adjustment is not made on Line 20, the funds disbursed for the activity will be double-counted because they would be included in both Lines 18 and Line 19.)

Third: to determine the amount to enter on Line 18, complete the following steps for *each* activity that *is* a multi-unit housing activity.

- Step 1: Identify the total number of units in the activity.
- Step 2: Identify the total number of units that are to be occupied by low/mod households.
- Step 3: Divide the number from Step 2 by the number from Step 1. This results in the percent occupied by low/mod households.
- Step 4: Identify the total cost of the activity, including private, other public and CDBG funds.
- Step 5: Identify the total CDBG funds to be used for the activity.
- Step 6: Divide the total from Step 5 by the total from Step 4. This results in the percent of total paid with CDBG.
- Step 7: If the percent paid with CDBG (Step 6) is *less* than the percent of units occupied by low/mod households (Step 3), no further calculation is needed for this activity. If this is the only multi-unit housing activity, enter the total amount of CDBG funds expended for this activity on Line 18. If there is more than one multi-unit housing activity, make note of the amount of CDBG funds expended for this activity during the reporting period because it will be used in Step 9 below.
- Step 8: If the percent paid with CDBG (Step 6) is *greater* than the percent of units occupied by low/mod households (Step 3), complete the following:
 - (a) Multiply the percent occupied by low/mod households (Step 3) by the total project costs (Step 4).
 - (b) Divide the product from (a) by the amount of CDBG funds to be used for this activity (Step 5).

- (c) Multiply the quotient from (b) by the CDBG funds expended for this activity during the reporting period. The product is the amount credited for this activity for the low/mod benefit calculation. It will be used in Step 9.
- Step 9: After completing the above steps, as appropriate, for each multi-unit housing activity, total the amounts from Step 7 and Step 8(c) and enter the sum on Line 18.