2019 DRU-CDBG Boot Camp

Program Income
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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 copyrights, 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