



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: GID-1516-45

File ID: GID-1516-45

Type: Acceptance of Funds

Status: Consent Item

Version: 1

Reference: Item 10

In Control: City Council

Department: Planning and
Community
Development
Department

Cost:

File Created: 02/19/2016

File Name: FYE15 CDBG Funds

Final Action:

Title: CONSIDERATION OF ACCEPTANCE OF ADDITIONAL FUNDING FOR THE FYE15 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM YEAR GRANT IN THE AMOUNT OF \$37,051 AND BUDGET APPROPRIATION FROM THE CDBG UNRESERVED FUND BALANCE.

Notes: ACTION NEEDED: Motion to accept or reject additional funding for the FYE15 CDBG Program year Grant in the amount of \$37,051; and, if accepted, appropriate \$37,051 from CDBG Unreserved Fund Balance (021-0000-253.20-00) to Misc Services/ Emergency Rehab Grants (021-4086-463.47-13), and upon receipt of funds, increase Other Revenue/Community Development Block Grant (021-0000.331-13-11) by \$37,051.

ACTION NEEDED: _____

Agenda Date: 03/08/2016

Agenda Number: 10

Attachments: Text File CDBG

Project Manager: Lisa Krieg, Grants Planner

Entered by: lisa.krieg@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File GID-1516-45

Body

BACKGROUND: The Community Development Block Grant Program (CDBG) is administered by the U.S. Department of Housing and Urban Development (HUD) and is appropriated based upon a formula applied to the annual funding level enacted by Congress. The City of Norman was designated as an Entitlement Community and has been a recipient of Community Development Block Grant funding since 1975. The funding for the CDBG Entitlement program is accessed on a reimbursement basis from the Line of Credit Control System (LOCCS) at the U.S. Treasury. The CDBG funding is located within Fund 21 of the City of Norman Budget. As expenditures are made from the City of Norman General Ledger (GL) funds are drawn down from LOCCS to reimburse the City of Norman.

Since the inception of the CDBG program, LOCCS has operated on a first-in, first-out (FIFO) basis to fund activities and disburse grant funds. Under FIFO, funding and disbursements were automatically made from the oldest grant with available funds regardless of which program year the activity was budgeted in. LOCCS will continue to use the FIFO system for grant years FYE15 and earlier until these funds are fully expended. Beginning with the FYE16 allocations, grant funds are committed and disbursed in LOCCS on a grant specific basis (Grant Specific). The City of Norman has utilized Grant Specific principles in the GL for both the funding and expenditures of each CDBG allocation since the beginning of the program in 1975.

DISCUSSION: Each month the Finance Department and CDBG Staff reconcile expenditures from the GL and reimbursements received from LOCCS. When the CDBG Program was monitored by the Oklahoma City Field Office in the Fall of 2015 it was determined that the City of Norman General Ledger was out of balance with the Line of Credit Control System (LOCCS) at the U.S Treasury by \$37,051 in the City of Norman's favor. Investigations to determine the origin of this discrepancy have not been able to identify the specific action that has caused this overage but have confirmed the value of the overage.

Considering the requirement for the Grant Specific Accounting with 2015 and later appropriations, HUD has recommended that this adjustment occur in FYE15 CDBG program year in the GL.

RECCOMENDATION: Request the acceptance of additional funding to the FYE15 CDBG program year grant in the amount of \$37,051 and upon receipt of funds increase Other Revenue/Community Development Block Grant (021-0000-331.13-11) by \$37,051, and appropriate from CDBG Unreserved Fund Balance (021-0000-253.20-00) to Emergency Rehab Grants (021-4086-463.47-13).