Effective: July 22, 2013

Subject: CDBG Financial Management Policy Change

Resource: Federal Register vol. 67, no. 91--Department of the Treasury Fiscal Services 31 CFR 205; 24 CFR 85.21; 31 CFR 370; Nebraska Department of Economic Development 2013 CDBG Administration Manual, Chapter 2 & 12

The following update affects all CDBG awarded projects. Special note should be taken in the way you account for CDBG awarded funds; received and disbursed. This CDBG Financial Management Policy changes the drawdown process so that exact eligible costs are accounted.

The current policy for requesting CDBG funds and other funds on the drawdown forms is that “Amounts must be requested in whole dollar amounts only. (Round CDBG amounts down to the nearest dollar.)”

The policy change is that “Funds requested must reflect actual eligible cost incurred. Claim exact amounts on each reimbursement or the grantee may use rounding down to the nearest dollar on individual reimbursements and then claim exact amounts due down to the penny on the final reimbursement request.”

Please make note of the changes and update your financial management systems for CDBG grant accounting as needed.