

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PROGRAM INCOME REPORT For Economic Development Revolving Loan Funds

INSTRUCTIONS

Executive Summary

The *Program Income Report for Economic Development Revolving Loan Funds* is used to report economic development projects made from the proceeds of CDBG grants or from program income, repayments of principal and interest on loans, interest earned on the deposit of funds, the status of any late or non-performing loans, and the beneficiary data pertaining to meeting the National Objective. This report also discloses the current balance and 6-month activity of the Revolving Loan Fund (such as administrative expense, repayments to DED, financial institution information, and contact information).

Each Unit of General Local Government (“UGLG” or “Grantee”) must report on every project for which payments have been received or are due or to report performance-based grants (that is, loans that are forgiven upon meeting the national objective and other loan requirements). In addition, the local governments must continue to report on each project until all payments have been received, forgiven, or written-off.

Program Income Reports are required to have the Chief Elected Official certify the reported data, status and activity of the fund. This certification is done by attaching a (pre-drafted) Certification and Verification statement to the Grantee’s letterhead, and submitting this signed attachment certification along with the Program Income Report.

Each economic development loan is to be shown. For Grantees with one or more active loans, list each loan on page 2 (Section VI), noting the CDBG Project Number as reference (if applicable). Loans originated by the local government (from the Revolving Loan Fund) are also to be listed on page 2 (or page 3 when necessary).

When a national objective is met, indicated by “Yes”, then the Grantee is required to submit a Job Creation/Retention Report (one time) which summarizes the job applicants’ beneficiary profile data from the Employee Certifications (completed by job applicants) for the actual jobs created (or retained). This requirement only applies to the LMJ (low-to-moderate-income jobs) national objective category.

Reports are due each July 30th for the preceding period January 1 through June 30 and each January 30th for the preceding period July 1 through December 31. Identify the appropriate date for the reporting period.

Please send the original copy of this report – an Excel file -- by email attachment (which is preferred) to tom.stephens@nebraska.gov. Grantees are encouraged to send in the completed form using the “fillable” Excel format of the report as provided on DED’s website. The current format of the report is required.

Grantees must also keep a copy of their submitted report (and Certification) on file.

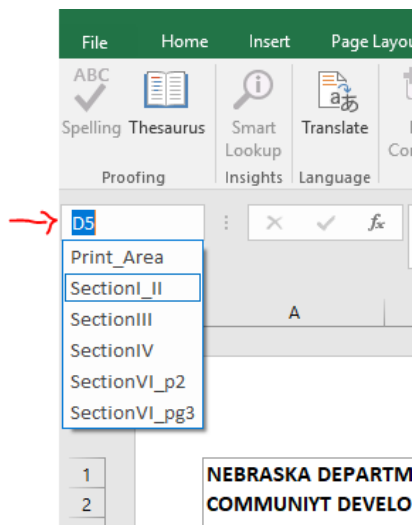
<p>If you have any questions or concerns about these reports, contact Tom Stephens (your Program Representative) at (402) 471-6587 or tom.stephens@nebraska.gov.</p>

Basic Overview – How to Complete and Submit this Program Income Report:

- 1) Open the Economic Development Program Income Report (Excel spreadsheet file located on DED’s website).
- 2) It is preferable to use the current version of Excel, however earlier Excel versions will work.
- 3) **Save a copy of your draft fillable form at this time (preserving your template).**
- 4) Proceed to completing the report (more detailed instructions can be found on the following pages)
- 5) Once the report has been completed, **submit the Excel-fillable completed report by email** to the Program Representative at DED.
- 6) Create a copy of the **Certification and Verification form on your Grantee letterhead**, print a copy and **have the Chief Elected Official sign** and date the certification (blue ink is best) which is certifying the report’s its accuracy. **Submit this Certification** (scanned signed copy) along with
- 7) Save a copy of the printed report for your local file, along with a copy of your signed Certification form.
- 8) **If a project has met the national objective** (indicated by a “Yes” on page 2, for the LMJ national objective), be sure to **submit a Job Creation/Retention Report for that project (business)** and its jobs.

Instructions -- Data entry tips:

- 1) **Enter all amounts rounded to the nearest dollar (no cents).**
- 2) **To quickly enter data by Section using the TAB key, use the “Name Box”** (found in the upper left corner of the spreadsheet -- as pictured below) and select the section of the document for which you want to enter data. After selecting the desired Section, use either the ENTER or TAB keys to navigate easily to the next cell.
 - a. Ignore the “Print_Area”, as the program will print correctly anyway.
 - b. The “D5” in the illustration points to where the cursor is sitting when opening the Name Box.
 - c. If you do not use Name Box, the spreadsheet can still be filled using regular input methods.
 - d. Once you select the desired input Section, the cursor jumps to the beginning of that Section.



Picture above shows the “Name Box” for easy data inputs using the TAB key to locate to the next input cell.

- 3) The input fields are color-coded as follows:
 - a. **Gold** – Spreadsheet calculated field (no data entry); totals and subtotals will calculate automatically.
 - b. **Blue** – Enter data as necessary.
 - c. **Green** – Input data from a dropdown menu of choices only.

Detailed Instructions: Completing the Program Income Report -- Line by Line:

SECTION I - GENERAL INFORMATION

Indicate the reporting period just ended from the pull down menus.

- 1) Enter the name of the Grantee. This is always the name of the UGLG.
 - a. For example, use “Hastings” for your local government name (not “City of Hastings”).
 - b. The UGLG name cannot be a local economic development group or corporation or non-profit or NDO, as these entities do not control the RLF, as only the local government has that role.

SECTION II - GRANTEE CONTACTS

Grantee Contact:

- 1) Enter the name and the title of the person representing the Grantee who can best answer questions concerning this report.
- 2) Enter the address of the Grantee contact person.
- 3) Enter the phone number of the Grantee contact person.
- 4) Enter the email address of the Grantee contract person.

Grantee Certified Administrator:

- 5) Enter the Grantee’s Certified Administrator name, along with other related contact information, including the name of the organization in which they belong.
 - The organization name of the Certified Administrator would have a Professional Services Contract with the Grantee.
 - If the Grantee Contact and Certified Administrator are the same person, just enter “*same as above*”.

Other Explanations:

- 6) Use the blank text box for “Other Explanations”. Use this space as necessary to briefly explain any situations that required additional details, labels, or clarification. Attach a separate sheet if you need more space to explain.
 - Examples include brief explanations of reporting situations, such as:
 - “Other” transactions such as an error correction, timing differences, or non-typical fund activity, etc.
 - Collection efforts if a loan is in default or delinquent or written off.
 - Excessive administration expenses.
 - Any other unusual reporting situation.

SECTION III - REVOLVING LOAN FUND (or “RLF”)

This section represents a summary of balance and activity in the RLF during the six month reporting time frame.

- 1) Enter the “Beginning Balance” for the current report.
 - a. The beginning balance must match the ending RLF Balance from the previous reporting period.
- 2) Section 2) “Receipts this Period” represents receipts of Program Income:
 - a. Total loan repayments (that is, Program Income in the form of principal and interest repaid from loans) made for all economic development loans during this period will automatically be calculated/filled from individual loan repayments (entered on pages 2 or 3).
 - b. Enter in “Interest Earned” the amount of other Program Income received during the period such as interest earned on any bank deposits, and fees (income) or late payment charges associated with loans.
 - c. “Other Explanation” enter amounts received during the reporting period that are not described in a. or b. above. Add a brief explanatory comment as needed in the “Other Explanations” box. Attach an additional explanatory statement if you need more room for explanation.
 - d. “Total Receipts” are automatically calculated, and this represents Program Income for the reporting period.
- 3) “Balance Available” is automatically totaled [Line 1) and Line 2)d)] to show the balance before obligations are deducted.
- 4) “Obligations This Period” represent outflows from the RLF during the reporting period, such as:

- a. “Administration” -- Enter the amount of any eligible revolving loan fund administration costs paid for from the revolving loan fund during the period on line 4) a).
 - i. Administration is limited to 5% of Total Receipts [Line 2)d)] during the time period.
 - ii. Administration costs can exceed this 5% limitation amount for many reasons, such that a brief explanation may clarify the situation.
 - b. “Loans or Grants” – Enter the amount of RLF funds used for loan or grant proceeds to a business on line 4)b).
 - i. This amount represents new loans made during the period using funds from the RLF.
 - ii. New loans originated during the time period should be listed (for the first time) on page 2.
 - iii. Obligations or encumbrances upon the RLF for loans that are not yet funded should NOT be shown on the report. Only report fundings of loans or grants.
 - c. “Repayments to DED” -- Enter amounts paid from the RLF to DED during the period on line 4)c).
 - i. This amount typically is the result of a “discontinued” RLF.
- 5) “Total Obligations” [(line 4) d)] is automatically totaled [(lines 4)a)+b)+c)] to show outflows during the time period.
- 6) “Ending Balance” [line 3) minus 4)d)] is automatically calculated, reflecting the end of period balance in the local RLF.

SECTION IV - FINANCIAL INSTITUTION

- 1) Enter the name of the financial institution where the Grantee’s revolving loan funds are kept (in a separate bank account).
- 2) Enter the City, State and Zip code of the financial institution.

SECTION V – CERTIFICATION

- 1) Create a Certification and Verification form – printed on the Grantee’s letterhead and have the Chief Elected Official sign the form. This form is scanned and submitted along with the Excel-fillable report in an email. The Certification allows for acknowledgement of the reports’ accuracy and completeness.

SECTION VI - PORTFOLIO OF REVOLVING LOAN FUND

For loans made with proceeds from program income or CDBG Grants, follow these steps:

- a) Enter each individual business name along with the accompanying (original) loan amount, loan interest rate, loan term (in months) and date the loan was made (use the pull-down calendar for ease of input).
 - a. Enter the business DUNS number – required on new loans.
 - b. For older loans without a DUNS – leave blank (if none available).
- b) Enter “Program Income Receipts this Period” reflecting total payments received from the loan this period, and ending “Loan Balance” (total future payments due with or without interest) for each individual business loan. Generally, receipts include principal and interest received on a loan.
- c) Identify the “Status of Loan” for each business loan from the provided pull-down menu indicating:
 - a. *Current, delinquent, default, write-off, forgiven or paid in full.*
 - b. *Loans in default or a write-off should include a brief explanation of collection efforts on page 1.*
 - c. *Forgiven loans have met the national objective.*
 - d. *Once a loan is shown on a report as forgiven, write-off or paid in full, then the loan can be dropped (not listed) on the next report.*
- d) Identify the CDBG Reference Number (if applicable from a current CDBG grant), OR enter a unique number to reference your loan servicing system, if any.
- e) Indicate (from the pull-down menu) from one of the three types of “National Objective” for the project:
 - a. “LMJ” – Low-to-moderate-income jobs (created or retained)
 - b. “LMA” -- Low-to-moderate-income beneficiaries on an area basis
 - c. “LMC” -- Low-to-moderate-income clientele as beneficiaries
 - d. Note that slum and blight categories are not eligible activities.
- f) Indicate if the National Objective has been achieved (Yes or No)
 - a. Generally, LMJ will be completed within two years.

- b. LMA and LMC meet the national objective at the onset of the project (by definition), hence “Yes” is the only achievement status to apply for these national objectives.
- c. LMJ indicating that the national objective has been met with a “Yes”, must:
 - i. Submit (a final, one time) *Jobs Creation/Retention Report*.
 - ii. The *Job Creation/Retention Report* will detail the beneficiary data on actual LMJ results.
 - iii. Projects with LMJ that do not meet a national objective (“No”) continue to show jobs *expected to be created or retained*.
- g) Enter the Job Creation (LMJ) “Created or Retained” as Full-time equivalents jobs from the business project, and enter the “# LMI” or jobs that will benefit LMI persons.
 - a. If the *national objective has not been met* (“No”), enter the anticipated or expected jobs and LMI figures.
 - b. If the *national objective has been met* (“Yes”), then enter the actual jobs and LMI figures from the submitted (one-time) *Job Creation/Retention Report*.
 - c. ***Submit the Final Job Creation/Retention Report (only one time) during the project’s life (at the time of indicating “Yes” to the national objective).***
- h) Continue entering loans on page two, using page three, if necessary.
- i) “Program Income Receipts this Period” will automatically total for each page (2 and 3) and roll up automatically to page one into (Section III) 2)a) “Loan Repayments”.
- j) ***Be sure to submit the Certification and Verification form*** (a separate print on Grantee’s letterhead and signature) of the Chief Elected Official. A copy of this *Certification and Verification* form (format) is on DED’s website.
- k) Loans (projects) should generally be listed until paid in full in situations when national objective data is not available (this applies to only older projects). ***Loans (projects) listed on page 2 (or 3) can be removed from the next report when one of the following situations has happened:***
 - a. A project loan has met the national objective and has been “forgiven” (and shows on a prior report).
 - b. A project loan has been “written-off” (with an explanatory statement) without meeting a national objective (and shows such information on a prior report).
 - c. A project loan is structured using the NDO process (indicated “NDO”) and has met a national objective (and shows such on a prior report).
 - i. This loan has met a national objective and the repayments are not considered Program Income, hence, the funds related to this loan are “de-federalized” and do not need further reporting.
 - d. A project loan has been “paid-in-full” (and shows such on a prior report).