CDBG-DR

PROGRAM INCOME 101 BRIEF

Program Income Basics

For Harvey, Program Income (PI) is defined as "income, in excess of $35,000 in a calendar year, generated from the use of CDBG-DR funds and received by a State or a subrecipient of a State." This typically refers to gross income, but in some circumstances, it is the income net of costs incidental to generating this income. PI is different from *Program Funds*, which are CDBG-DR funds that a subrecipient receives from GLO on either an advance or cost reimbursement basis to pay for CDBG-DR eligible expenses.

Subrecipient Agreements specify whether PI may be retained for eligible CDBG-DR purposes or whether it must be remitted back to the State. Most PI must be remitted back to the State. GLO may allocate remitted PI across the larger set of Harvey recovery programs (including to the subrecipient) or to its annual State CDBG program.

Reporting Program Income

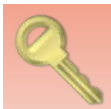
- Establish written standards for tracking PI (if undertaking revenue-generating activities)
- Have accounting records that track the receipt of PI in a timely manner
- Report receipt of PI to GLO using Attachment F on a monthly basis
- Remit payment for PI annually or as frequently as requested by GLO

Remitting Program Income

At the end of the calendar year, subrecipients with more than $35,000 in PI must remit payment to GLO. In the accompanying check, subrecipients should include the grant number, contract number, activity number(s), the reason for return, and an identification of the payment as PI. Send payments to:

Attention: Texas General Land Office Agency Cashier
PO Box 12873; Austin, TX 78711-2873

If the December month-end Attachment F has less than $35,000 in income reported, the subrecipient may keep it, but GLO may ask to see bank statements, program documents, and other evidence to substantiate the amount of income received.



Key Point

When income is generated by an activity that is partially funded with CDBG–DR funds, the income shall be prorated to reflect the percentage of CDBG–DR funds used. Examples include a single loan or parcel of land supported/purchased by CDBG–DR funds and other funds.