



TRANSFORM386

STRENGTHENING VOLUSIA'S FUTURE

Policies and Procedures

Use of Program Income

Community Development Block Grant - Disaster Recovery





Contents

Version History	1
Section A: Background	2
Section B: Program Income after Closeout	2

Version History

Version	Date	Notes
1.0	July 6, 2023	Original version posted on Transform386 webpage for comments

Section A: Background

According to 24 CFR 570.489(e), program income is defined as “gross income received by a state, a unit or general local government or a subrecipient of a unit of general local government that was generated by the use CDBG funds.” CDBG-DR grant programs that provide loans (e.g., housing rehabilitation, or economic development assistance) or involve real property transactions (i.e., acquisition or buyouts) often generate program income. Although Volusia County’s CDBG-DR housing recovery programs are still in the planning and development stage, it is possible that some of these programs will generate program income. Volusia County will ensure that any such programs are developed in accordance with 24 CFR 570 as well as 2 CFR Part 200.302(b)(3), which requires funds to be adequately identified, classified, and coded for specific application of funds utilized by Volusia County, including program income.

Volusia County will ensure that all subrecipient agreements explicitly require subrecipient partners to report program income (as defined at 24 C.F.R. part 570.500(a) or in the Federal Register Guidance governing the CDBG-DR funds) in their quarterly progress reports. Program income must be used in accordance with the administrative requirements of 2 C.F.R. Part 200 and 24 C.F.R. Part 570.504, as well as the stated terms of the subrecipient agreement. Subrecipients will be required to return program income generated after closeout to Volusia County. Program income generated prior to closeout must be returned to Volusia County unless the program income is used to fund additional units of CDBG-DR activities, specified in a modification to this Agreement and duly executed prior to administrative closeout.

Volusia County will use the Disaster Recovery Grant Reporting (“DRGR”) system to track program income receipts, disbursements, and revolving loan funds (if applicable). If Volusia County allows subrecipients to retain program income, the subrecipients will report it to Volusia County’s CDBG-DR grant administration team, who will establish program income accounts in the DRGR system. The DRGR system requires grantees to use program income before drawing additional grant funds and ensures that program income retained by one organization will not affect grant draw requests for other organizations.

Section B: Program Income after Grant Closeout

Volusia County is aware that the program income regulations found in 24 CFR 570.489(e) and 570.504 will remain in effect even after specific CDBG-DR recovery programs have ceased operating. In the event that Volusia County’s CDBG-DR programs have generated program income that cannot be used for any grant-funded program prior to closeout, Volusia County will transfer any program income to its annual CDBG-funded activities in accordance with the requirements of 2 CFR 200 and the procedures established by the County of Volusia’s Accounting and Related Procedures concerning grant revenues.