

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
FEDERAL PROGRAMS BRANCH**

Community Development Block Grant Program

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CDBG MANAGEMENT MEMORANDUM
Community Development Block Grant Program - Memorandum Number 13-03

July 31, 2013

MEMORANDUM FOR: All State Funded NSP11 Jurisdictions

FROM: Thomas Brandeberry, CDBG Section Chief

SUBJECT: NSP1 Program Income – Return of Funds

Purpose of this Memorandum:

The purpose of this Management Memorandum is to implement the return of funds provision in the NSP1 Program Income (PI) Re-Use Plan which states:

Reuses of NSP Program Income

The Grantee will be allowed to use the earned NSP1 Program Income for eligible NSP1 activities in the areas of greatest needs listed in the Grantee's Application and in Exhibit B of the NSP1 Standard Agreement.

Any NSP Program Income funds that are not shown to be obligated on the Grantee's next Quarterly NSP Program Income Report must be returned to the Department.

Program Income received on or after July 30, 2013, must be returned to the Department.

What It Means:

As of July 30, 2013, all NSP1 PI on hand and any additional NSP1 PI received must be returned to the Department at the same time the PI Report is submitted. The requirement for the return of funds will begin with the October 15, 2013 reports for the July, August and September quarter, and going forward, with each quarterly report cycle thereafter.

The Process to Return PI is to:

1. Submit by mail to your CDBG Representative a completed NSP1 Program Income Report showing any unobligated PI funds.
 - a. The form can be found at http://www.hcd.ca.gov/fa/cdbg/docs/PI_Report.xls.
 - b. The address for the report submission is:

State CDBG Program
Attention – NSP1
P. O. Box 952054, MS 500
Sacramento, CA 94252-2054

2. Simultaneously submit by mail:
 - a. A completed NSP1 Return of Funds Form (attached with this memo), and
 - b. A valid check/warrant in the amount listed on both the PI report and the Return of Funds form (those amounts must match).
 - c. The address for submission of this form and the funds is:

Department of Housing and Community Development
Neighborhood Stabilization Program
Attention: ACCOUNTING DEPARTMENT
PO Box 952054
Sacramento, CA 94252-2054

NSP1 Close-Out Process

There will be a separate process detailing the NSP1 contract close-out requirements once HUD has issued their NSP1 close-out guidance.

As always, if you have any questions or concerns regarding your NSP1 contract or activities, please contact your CDBG Representative. The ***Contract Staff Map*** showing the territories and contact numbers is attached, as our website is currently down.

Attachments:

NSP1 Return of Funds Form
Contract Staff Map