

City of Fort Lauderdale  
Policies and Procedures to Determine Timely Expenditure  
of Funds

# DOCUMENT REVISION HISTORY

Effective date: 09/30/2025

Document reversion history is tracked in the table below, with notes regarding version changes. Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

VERSION #	REVISION DATE	DESCRIPTION	REVISION TRACKING NOTES
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## I. OVERVIEW

The City of Fort Lauderdale is committed to ensuring that all CDBG-DR funds are expended in a timely and compliant manner consistent with HUD requirements. This includes tracking and documenting expenditures of the City and its subrecipients, properly managing program income, reprogramming stalled funds, and projecting expenditures to ensure full disbursement within the required period. The City intends to expend funds within the timeframe allowed by HUD: all CDBG-DR funds must be expended within 6 years of HUD's grant agreement (obligation) date (by April 18, 2031). To ensure timely expenditure of funds, the City will establish milestones and an expenditure schedule for each program. Regular internal reports will track spending against the timeline, and any slow-moving activities will be evaluated for re-allocation to ensure compliance with HUD's timely performance requirements. HUD may recapture funds not expended by the deadline unless an extension is granted. The City's procedures include quarterly reviews of progress and prompt corrective actions if delays occur, fulfilling the requirement for adequate procedures to ensure timely expenditure.

## II. APPLICABILITY

This policy applies to all CDBG-DR funds awarded to the City of Fort Lauderdale under the HUD grant agreements and extends to:

- All City departments and divisions administering CDBG-DR programs,
- Subrecipients, contractors, consultants, and vendors engaged in carrying out CDBG-DR-funded programs or activities,
- All activities identified in the City's CDBG-DR Action Plan(s), and
- All program income generated during the performance period of the CDBG-DR grant.

## III. APPLICABLE REGULATIONS

This policy is established pursuant to:

- HUD CDBG-DR Federal Register Notice(s), Universal Notice, and applicable Allocation Announcement(s), including as codified in Section II.A.1.f.(i)-(iv) and Section III.F.1,
- 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards),
- HUD regulations concerning program income: 24 CFR §§ 570.500, 570.503, 570.504,
- HUD's disaster recovery reporting via DRGR (Disaster Recovery Grant Reporting system), and

- HUD’s citizen participation requirements for amendments or reprogramming; and any other applicable State law, City ordinances, or financial management standards.

#### IV. PURPOSE

The City of Fort Lauderdale is committed to spending the CDBG-DR funds in a timely and compliant manner consistent with HUD requirements. This policy is to ensure that:

- All CDBG-DR funds are managed, obligated, expended, and reported in a timely manner,
- All expenditures are tracked and documented appropriately,
- Program income is properly recorded and handled,
- Slow or stalled activities are identified and addressed or funds reprogrammed, and
- City projects and demonstrates full expenditure of awarded funds within HUD’s required timeframe.

#### V. SCOPE

This policy covers:

- Development and maintenance of expenditure schedules and projections for each activity,
- Tracking of actual vs. projected expenditures by the City and by subrecipients,
- Reporting requirements, internally and to HUD (via DRGR, Quarterly Performance Reports, etc.),
- Program income management including receipt, tracking, use/disbursement, and conditions for drawdowns, and
- Identification, monitoring, and reprogramming of stalled or under-performing activities.

#### VI. DEFINITIONS

**CDBG-DR Funds-** All grant funds awarded by HUD under the CDBG-DR program, including amounts obligated under the City’s grant agreement(s).

**Obligation Date-** The date HUD approves/enters into the grant agreement under which funds are committed (obligated) to the City.

**Timely Expenditure Period-** The period within which HUD requires all CDBG-DR funds to be expended. Typically, six years from the obligation date, unless HUD grants an extension.

**Actual Expenditures-** Funds actually spent and paid out or invoiced (as appropriate) by the City or its subrecipients.

**Projected Expenditures-** Forecasts of when funds will be expended in future quarters, based on milestones, budgets, subrecipient reports, and other data.

**Program Income-** Gross income received by the City or subrecipients that is directly generated from the use of CDBG-DR funds, in accordance with 24 CFR §§ 570.500 etc.

**Subrecipient-** Non-federal entity that receives a subaward from the City to carry out CDBG-DR activity.

**Stalled Activity-** Any CDBG-DR project or activity more than six months behind its approved schedule or failing to show measurable progress as per its milestones.

**DRGR-** The Disaster Recovery Grant Reporting system is HUD's mechanism for reporting performance, obligations, expenditures, outcomes.

## VII. POLICY

The City's policy is to:

- Project expenditures throughout the period of performance to ensure complete use of funds within the HUD-required deadline.
- Track and document actual and projected expenditures of all CDBG-DR activities, at the City and subrecipient level, in sufficient detail to enable monitoring and compliance with HUD's requirements.
- Manage program income compliantly, ensuring that it is reported, tracked, and substantially disbursed before drawing additional funds from the U.S. Treasury.
- Monitor progress of all activities; identify stalled activities (six months behind schedule); require corrective actions or reprogramming to ensure funds are not left unexpended.
- Provide public accountability through transparent reporting and publication of expenditure data.
- Enforce subrecipient compliance through agreements that include these requirements.

## VIII. PROCEDURES

To effectively implement this policy, the City will follow the procedures outlined below.

### Projection of Expenditures and Outcomes

- At the time Action Plan entry in DRGR and upon obligation of funds, the City will prepare a quarterly expenditure projection schedule and milestones for each activity.

- Projections will be maintained by activity and updated quarterly based on actual expenditures, revised project schedules, and subrecipient reporting.
- Projections will be entered into DRGR and reflected in the QPRs and Action Plan, as needed.
- Where required by HUD, projections will include associated outcomes (e.g., number of units, persons served).
- Publish or make available to the public the proposed vs. actual quarterly projections (e.g., via City website).

### Tracking Progress and Program Expenditures

- The City will maintain a centralized financial system or ledger that captures all expenditures and reconciles with subrecipient financial reports, disbursements, and payroll records, etc.
- Subrecipients are required to submit monthly financial and performance reports with supporting documentation.
- Program managers (City & subrecipients) will compare projected vs actual expenditure and performance flagging variances beyond an acceptable threshold (e.g., 10%).
- City Finance Director or analogous officer will provide a quarterly drawdown report that will be used in tandem with the expenditure projections to ensure the pace of drawdowns and alignment with the six-year drawdown deadline.
- The City will hold regular status meetings (monthly/quarterly) with project leads and subrecipients to review progress, barriers, and schedule adherence.
- The City CDBG-DR program staff will document delays and barriers, actions taken to remedy, and determine if reprogramming is needed.

### HUD Reporting Requirements

- Obligations, budget, activity, expenditure, and outcome data will be entered into DRGR as required by HUD.
- Quarterly Performance Reports (QPRs) will be submitted through DRGR within 30 days after the close of each calendar quarter.
- Internal accounting records will be reconciled to DRGR reporting each quarter.
- QPRs and actual vs projected expenditure reports will be posted, where appropriate, to the City's recovery website for transparency.

### Program Income

Program income includes, but is not limited to, the following:

- Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds.
- Proceeds from the disposition of equipment purchased with CDBG-DR funds.
- Gross income from the use or rental of real or personal property acquired by the City, including subrecipients, with CDBG-DR funds less costs incidental to generation of the income.
- Gross income from the use or rental of real property owned by the City, including subrecipients, that was constructed or improved with CDBG-DR funds, less costs incidental to generation of the income.
- Payments of principal and interest on loans made using CDBG-DR funds, including interest paid by borrowers on loans made from a revolving fund, as defined in HUD Universal Notice section III.B.13.
- Proceeds from the sale of loans made with CDBG-DR funds.
- Proceeds from the sale of obligations secured by loans made with CDBG-DR funds.
- Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund, as defined in HUD Universal Notice section III.B.13.
- Interest earned on lump sum drawdowns for financing of property rehabilitation activities as described in 24 CFR 570.513.
- Funds collected through special assessments made against non-residential properties and properties owned and occupied by non-LMI households, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement.
- Gross income paid to the City, including subrecipients, from the ownership interest in a for-profit entity in which the income is in return for the provision of CDBG-DR assistance.
- Any income received by the City related to the CDBG-DR grant after closeout, including income received by subrecipients after closeout (see HUD Universal Notice section II.D.12.e.).

Program Income does not include:

- The total amount of funds that is less than \$35,000 received over the life of the grant and retained by the City, including subrecipients. Once a grantee, including subrecipients, meets or exceeds the \$35,000 threshold, only funds over the threshold are considered program income and are subject to the requirements of the HUD Universal Notice.

- Amounts generated by activities eligible under section 105(a)(15) of the HCDA (42 U.S.C. 5305(a)(15) and carried out by an entity under the authority of section 105(a)(15) of the HCDA.
- Income (except for interest described in 24 CFR 570.513) earned on grant advances from the U.S. Treasury; this income must be remitted to HUD for transmittal to the U.S. 81 Treasury.

## Program Income Management

- The City will maintain a program income register, tracking all receipts, disbursements, balances, source, and applicable activity.
- The City shall record program income as a separate account.
- For the City, including its subrecipients, the receipt and expenditure of program income shall be recorded using both DRGR and internal financial records as part of the financial transactions of the CDBG-DR grant per the HUD Universal Notice (III.B.12.c.).
- Subrecipients must report program income receipts monthly and remit income to the City as required.
- Program income will be used or disbursed before drawing new funds from U.S. Treasury.
- The City will ensure when program income is earned and used, the applicable caps, such as Administration, Public Services, and Planning, do not exceed the allowable percentage in the federal requirements. As well as ensuring the overall benefit complies with the requirement to benefit 70% LMI persons and that program income is used for eligible activities approved in the action plan.
- Program income use and disbursement will be recorded in DRGR.
- The City may permit subrecipients that receive or will receive program income to retain the program income but is not required to do so. In all cases, program income retained by the City or its subrecipients is treated as additional CDBG-DR funds subject to the requirements of The Universal Notice.
- Program income clauses will be included in subrecipient agreements per 24 CFR §§ 570.503–504.
- When program income is generated by an activity that is only partially assisted with CDBG-DR funds, the income shall be prorated to reflect the percentage of CDBG-DR funds used.
- Any program income received by the City or its subrecipients after closeout shall be transferred to the City's CDBG program upon approval by HUD with the following conditions:

- Any program income transferred will not be subject to the waivers and alternative requirements of the Universal Notice. Rather, those funds will be subject to the applicable regular CDBG program rules. Any other transfer of program income not specifically addressed in the Universal Notice may be carried out if the grantee first seeks and then receives HUD's approval.
- CDBG-DR grantees must continue to report annually in DRGR on any program income received following closeout of the grant.

## Monitoring, Technical Assistance and Corrective Action

- Subrecipients are responsible for monitoring their vendors, contractors, and projects, and the City is responsible for monitoring the subrecipient's compliance with applicable financial procedures and schedules.
- The City will conduct risk assessments for each activity, including reviewing the timeliness of expenditures, and subrecipient to determine the frequency and type of monitoring to be conducted.
- Monitoring will include a quarterly review of performance reports and financials.
- Technical assistance will be provided to subrecipients lagging in reporting or performance.
- When an activity is "stalled", a corrective action plan is required within 30 days of notice to subrecipient. The City will provide oversight into the corrective action plan process to ensure progress.
  - If the City determines that the progress on the corrective action plan is insufficient, the City may reprogram those funds to eligible activities likely to spend within the period and, if required, recapture of disbursed funding.

## Reprogramming Funds

- Activities identified as stalled or underperforming (e.g., more than six months behind, or projections indicate not feasible to expend by deadline) will be evaluated for reallocation.
- Reprogrammed funds will be directed to activities capable of expending within the required period.
- Action Plan amendments will be completed in compliance with Action Plan citizen participation and plan modification (substantial and non-substantial amendments) requirements.
- All reprogrammed amounts will be tracked and reflected in expenditure projections.

## Oversight and Responsibility

- Housing and Community Development Manager is responsible for overall oversight, tracking, coordinating reports, ensuring policy compliance.
- Program Managers are responsible for maintaining the project schedules and implementing or overseeing corrective actions, as needed.
- Finance Director or analogous officer certifies quarterly that the City is on pace to expend funds by HUD's deadline.
- Subrecipient agreements must incorporate these policy and procedural requirements as contractual obligations.
- Leadership (e.g., City Council or relevant oversight body) will receive periodic reports summarizing expenditure status, stalled projects, reprogramming actions, and projections.