**CLP SINGLE AUDIT GUIDANCE**

**AND LOCAL PROGRAM INCOME**

The following are suggestions and guidance to be provided to your Certified Public Accountant (CPA) for determining proper treatment of CDBG Loan Program (CLP), Revolving Loan and/or Program Income funds for Single Audit and SEFA purposes. This information is provided for informational purposes only and should not be considered professional advice. Please consult your CPA.

Here are a few broad points to consider.

1. CDBG Loan Funds, Revolving Loan Funds and Locally Held Program Income are **all federal funds reportable** under CFDA 14.228.
2. Any expenditures from these funding types should be taken into consideration for purposes of both calculating **total federal expenditures** to determine if a Single Audit is required, and for inclusion in the SEFA.
3. For any community or organization receiving CDBG funds, including loan funds and program income a MEDC **Form 8-C “Audit Requirements Certification Form”** will be required annually within 60 days of the community or organization’s fiscal year end, in compliance with HUD regulations.

There are many variations of these types of funds. Below are details on individual situations that may exist.

**Locally Held Program Income (PI)**

Program Income received must be included when calculating whether a Single Audit is required. Program Income expended in the UGLG’s fiscal year must be reported on the SEFA, if one is required.

**Communities Transferring CDBG Loan Funds to the Regional Loan Fund Administrators**

1. Loan Funds in the CDBG Loan program are federal funds until they are de-federalized by the Regional Administrator, per the guidelines in the Grant Administration Manual (GAM).
2. Funds transferred to the Regional Loan Fund Administrators may need to be reported on the SEFA as money distributed to sub-recipients.
3. Funds transferred to the Regional Loan Fund Administrators may need to be included with other federal expenditures to determine is a Single Audit is required.

**Regional Loan Fund Administrators**

1. Loan Funds in the CDBG Loan program are federal funds until such time as they are de-federalized per the guidelines in the GAM.
2. Funds expended by the Regional Fund administrators for either administrate expenses or disbursed for a new loan should be reported on the administrator’s SEFA if one is required.

**Revolving Loan Funds (RLF) held at the County/City/Township/Village Level**

1. RLF money expended by the community for either administrative expenses or disbursed for a new loan should be reported on the community’s SEFA if one is required.
2. RLF expenditures should also be included in calculating if a Single Audit is required.