How Will This Webinar Work?

- After each subject, we will stop to answer questions

- Ways to participate with GoToWebinar
  - Question box
    - Here you can type short comments or suggestions, which we will answer during the question sections of the webinar
  - Raise hand to talk
    - GoToWebinar allows you to “raise your hand” – when we open up the webinar to questions, you can “raise your hand” at which point the administrator can unmute you so that you can ask a question. To avoid confusion, we will only allow one attendee to speak at a time.
  - Any comments not addressed during this webinar are welcome
    - Please email written comments to DOACDBG@wisconsin.gov
CDBG has two distinct Revolving Loan Funds (RLFs)

- Housing
- Economic Development (RLF–ED)

Funds from Housing and Economic Development RLFs are **NOT** interchangeable and can never be mixed
**Program Income**

- Repayments of Economic Development Loans from CDBG–ED Grant
- Repayments of RLF–ED Loans
- Interest Paid on Economic Development and RLF–ED Loans
- Interest earned on RLF–ED Bank Account

- For section 105(a)(15) entities – All income must be considered program income until further direction from HUD
Reporting Requirements

- Semi-Annual Reports
  - April 1st through September 30th
  - October 1st through March 31st

- Changes made to coincide with HUD reporting requirements
New Form
Simple Excel – No macros
Information will remain on form – only updated information will need to be added every 6 months
Information submitted for 12/31/13 has already been added to your form – Only verification is required
First time using the form will require more data input
Naming of File

- Save the reporting form with
  - Name of UGLG
  - Description of file context “RLF Compliance”
  - Ending date of the reporting period
- Examples –
  - Juneau CTY RLF Compliance 9–30–14
  - Lake Mills RLF Compliance 9–30–14
Form Submission

- Attach form as an excel file to email
- Do not attach as a PDF file
- Subject line of the email should be same as the name of the attached file
- Email Form to DOACDBG@wisconsin.gov
- Completed reports must be sent to DOH within 45 days from the end of the period
Form Navigation

- Worksheets are protected without a password
- Some cells are protected so formulas do not get changed
- All gray boxes are protected
Form Navigation (continued)

- *Blue italics* words in this PowerPoint correspond to the column names on the excel spreadsheet

- *Pink* titles in this PowerPoint correspond to excel worksheet names (on worksheet tabs)
Form Navigation (continued)

- On the bottom of the file is a gray bar with names of various worksheets
  - General Information
  - ED
  - RLF
  - Closed Loans
  - Funds Remit to State
  - Administrative Expenses
  - Reconciliation
  - Performance Contract 1
  - Performance Contract 2 (etc.)
General Information Sheet

- Will need to be filled in once
- Will be updated only if information changes.
- The first three lines – Name, dates and RLF # will automatically be updated
- Fill in the section for CEO, Preparer of Report, Person to Receive Notifications and Community Development Director/Director of Public Works
- Future notifications will be sent to the Preparer of Report and Person to Receive Notifications
Change the Reporting Period
If worksheet is pre-populated with Sub-recipients (businesses who received the loans),

- Verify loan is still outstanding
- If loan has been repaid, indicate
  - When loan was repaid
  - If close-out letter was received from Commerce, WEDC or DOH
- If loan was not managed by community, indicate who managed loan
Add any CDBG Economic Development or MVP Loan that has not been paid back

FOR ALL UNPAID LOANS:
- Fill in **Columns C through H.** Information should come from DOH (column C) and the Promissory Note (Column D–H)
- The **Calculated Loan Interest** should come from the amortization table that was created when the loan was executed; or if the loan was adjusted, the adjusted loan interest for the entire period of the loan
The amount of the Loan Paid Prior to Beginning of Current Period and Interest Paid Prior to Beginning of Current Period (Columns K & L) should come from the financial records.

- In this instance, Prior to Beginning of Current Period means before 1/1/2014

The Loan Paid in Current Period and Interest Paid in Current Period should come from the financial records (Columns M & N)

- In this instance, Current Period means from 1/1/2014 through 9/30/14. In future reports it will be a six month period that corresponds to the reporting period on top of page
RLF Sheet (Revolving Loan Fund – Economic Development)

- Any RLF–ED loan that has not been paid must be listed
- Fill in all columns for any outstanding RLF–ED
- After first time, only the “Status”, “From Current Reporting Period” columns and any newly issued loans will need to be completed
Indicate the purpose of the loan in **Column C**

**Purpose of Loan**
- Use **A** for fixed assets/equipment for acquisition and/or improvement of land, building, equipment, new construction
- Use **B** for working capital loans for start-up of new businesses or existing businesses
- Use **C** for job training that creates jobs or retains employees
- Use **D** for infrastructure projects as long as there is job creation or retention
- Use **E** for other reason; however the reason must be indicated and must be according to the Federal regulations
Information for *Column D – G* should come from the Promissory Note

*Status (Column H)* indicate the status of the loan at the end of the current period

- Current (F)
- Delinquent (G)
- Deferred (H)
- Paid in full (I)
- Default (J)
- Bankrupt (K)
- Restructured (L)
Principal Loan Balance at Beginning of Period (Column I) should be the same at the Outstanding Loan (Column Q) of the prior period.

The Outstanding Loan amount could also be referred to as the ending balance.
Outstanding Interest at Beginning of Period (Column J) is the total amount of the interest of the loan which is on the amortization table less the amount of interest that has already been paid through 12/31/2013.
Activities from the current period are reported in Columns K through P.

In this instance, Current Period means from 1/1/2014 through 9/30/14. In future reports it will be a six month period that corresponds to the reporting period on top of page.

If the loan is restructured/rewritten and the loan amount is increased, then Column K “New or Restructured Loan” would be filled in only for the amount of the increase.
If the loan is restructured/rewritten and the interest amount is increased, then \textit{Column L “Interest on New Loan or Restructured”} would be filled in only for the \textbf{amount of the increase}. 

If there is any activity that decreases the amount of the loan, then \textit{Column M “Loan Forgiven, Defaulted, Bankrupt, Restructured”} would be filled in only for the \textbf{amount of the decrease}. Enter as positive number.
If there is any activity that decreases the amount of the interest outstanding, then Column N “Interest Forgiven, Defaulted, Bankrupt, Restructured” would be filled in only for the amount of the decrease. Enter as positive number.
The *Loan Paid in Current Period (Column O)* and *Interest Paid in Current Period (Column P)* should come from the financial records.

- In this instance, Current Period means from 1/1/2014 through 9/30/14. In future reports it will be a six month period that corresponds to the reporting period on top of page.
Any loans that are closed are entered on this worksheet.

- If the closed loans were included on the 12/31/13 report, the loans are listed on this sheet.
- List/Verify the amount not collected in the bankrupt/ forgiven column
- If the closed loans are not indicated, please add the business’s (borrower) name, original loan amount, status and the amount not collected

In the future, all information on this sheet will be entered by Bureau of Community Development
On a monthly basis, the UGLG must return to the state the amount retained in the bank that is greater than the UGLG’s capitation rate (revenue cap).

To return funds to the state, use the loan remittance advice.

All funds returned will be reallocated out to the communities for public facility economic development loans.
The amount of allowable administrative fees and costs should be calculated based on a percent of the TOTAL PROGRAM INCOME received in the current period. Program Income is defined as:

- The amount borrowers paid in the current period;
- Interest borrowers paid in the current period; and
- The bank interest earned in the current period

The amount shall be reasonable, necessary and not exceed the amount documented through eligible expenditures
List the *Date of Expenditure, Vendor Name, Purpose of Expenditure* and *Amount* that occurred in the current period.

The name of the vendor or salary and fringes should be included in the column *Vendor Name*.

The documentation should either be scanned in and emailed with the form or if scanning is not available, send the documents to DOH – Community Development PO Box 7970 Madison, WI 53707–7970.

There is a formula at the bottom that will indicate if the charges were greater than allowable.
This sheet will

1. Reconcile this report with your financial statements
2. Indicate if any funds need to be paid back to the state because the amount in the bank is greater than the revenue cap

Any cell that is gray is formula protected; all of the numbers come from other worksheets in this file
The cell that is pink “RLF Balance Available for Loan as of the Beginning of Period Per Bank Statement or General Ledger”, is the amount on the prior period’s (12/31/13) RLF Compliance Report.

The four boxes that are highlighted “Interest Earned on Funds Maintained by UGLG”, “Amount Loaned in Current Period”, “RLF Balance Available for Loan Per Bank Statement or General Ledger”, and the “Outstanding RLF Principal Amount Per General Ledger” will need to be filled in.
Interest Earned on Funds Maintained by UGLG” comes from the bank statements for the period of the report

“Amount Loaned in Current Period” comes from the General Ledger and covers any new loans that occurred during the period of the report
Reconciliation Sheet (Continued)

- **RLF Balance Available for Loan Per Bank Statement or General Ledger** this information should come from the reconciled bank statement for the last month of the period.
  - Include a scanned copy of the reconciled bank statement with the report
  - If a separate bank statement is not used, please include the general ledger that indicates the cash on hand as of the end of the period. Since RLF funds are to be kept in a separate bank account, a separate bank account for the RLF–ED will need to be opened.
The **Outstanding RLF Principal Amount Per General Ledger** is the amount of all loan principals outstanding as of the end of the reporting period.

The **Difference** on line 28 should be zero. If it is not zero then there is an error in completing this form. There is an error on the 9/30/14 report. The difference will not be zero. Fill in the information requested. This will be corrected on the 3/31/15 report.

The **Revolving Loan Fund Cap** is on line 31. If the **Difference** amount on line 32 is greater than zero, the amount needs to be paid back to DOH for redistribution.
The performance information on RLF Performance Contract # tab through the last RLF Performance Contract # tab correspond to each RLF-ED loan.

- The RLF Performance Contract 1 tab corresponds to the first RLF that is listed on the RLF tab.
- The RLF Performance Contract 2 tab corresponds to the second RLF that is listed on the RLF tab.
- ETC.
The information on the first 8 lines will automatically fill from the other worksheets.

The information for line 12 “Performance Period” comes from the agreement with the borrower.

- The performance period should be between one and five years.
If the performance end date is during the current year or subsequent to the current year, the remaining portion of the form needs to be completed.

- For example, for this report, the form would need to be completed if the performance end date is October 1, 2013 or later.

If the performance end date is before the start date of the Federal year (10/1/xxxx – 9/30/xxxx), no additional information is needed on this form.

- For example, for this report the end date would be before October 1, 2013.
If the performance information is required, then *Period 2 for lines 17 through 63 needs to be completed.*

- For the period ending 9/30/2015, the *Period 3* column needs to be completed.

- The information indicated in the *Period #* columns is from the beginning of the performance period through the ending date of the reporting period or year-to-date reporting.
On line 65, indicate if this loan is for the purpose of construction or demolition.

If the loan is for the purpose of construction or demolition, then a Section 3 Reporting Form must be completed yearly and sent in to DOH by 3/31/20xx.
Finally list the name of the person who prepared the forms on the document.

If the preparer is receiving the information from someone else in the municipality, include both names.

- For example, Finance Director, City Administrator, Director of Community Development
Submitting Forms

- Attach Semi–Annual Compliance Report to email as an excel file
- Do not attach as a PDF file
- Subject line of the email should be same as the name of the attached file
- Email Form to DOACDBG@wisconsin.gov
Submitting Forms

- Excel copy of the RLF Compliance Report
- Copy of any contract that has a balance remaining (if copies were sent in with the 12/31/13 report, only new contracts need to be submitted.)
- Any restructured loan information
- Reconciled Bank Statement
- RLF – ED portion of General Ledger for the period
- Documentation for Administrative Expenses
Please remember to complete the survey when you exit the webinar

If you want to send additional feedback on this Webinar, please email your comments to DOADOHHousing@wisconsin.gov
If you have questions or need assistance, please
  ◦ call (608) 266–7531
  or
  ◦ email DOACDBG@wisconsin.gov