

## Chapter 22

# REPAYMENTS AND RETURNED FUNDS

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**Repayments** are HOME funds that a participating jurisdiction must repay because the funds were invested in an activity that was terminated before completion (either voluntarily or involuntarily) or invested in housing that failed to comply with affordability requirements. Repayments also include the repayment of CHDO loans for terminated activities, unless repayment has been waived. HOME funds disbursed from the PJ's Letter of Credit must be repaid to the Letter of Credit.

**Returned Funds** are HOME funds sent back to LOCCS when the funds are not expended within 15 days of being drawn. The interest earned on returned funds must also be remitted to LOCCS promptly, but at least quarterly.

For details, refer to 92.503(b) Repayments.

## RETURNING FUNDS TO THE LETTER OF CREDIT

Instructions for returning funds by check or wire transfer are provided in HOME *FACTS* Vol. 1, No. 1, April 2008 (revised September 2011).

When the check/wire transfer is received by HUD Fort Worth Accounting, a transaction is initiated that eventually becomes a collection voucher in IDIS. The voucher includes the grant number and shows the amount returned as a negative draw for IDIS Activity ID 1, the HOME Funds Adjustment activity. All funds are returned to LOCCS as EN.

## MAKING REVISIONS IN IDIS

**If the PJ has created a receivable** (see page 19-9) that matches the grant number and amount on the collection voucher, no further action is necessary. IDIS will use the receivable to assign the returned funds to the correct activities and funding sources.

**If a receivable has not been created** (or no matching receivable is found) and the collection is to be applied to an activity as EN funds, the PJ can use the Maintain Voucher function in IDIS to revise the collection to the correct activity or activities. Follow these steps:

1. If necessary, revise the status of all activities involved in the revision to **Open**.
2. Click the Funding/Drawdown tab at the top of the screen.
3. Click the Drawdown Search Voucher link at the left to display the Search Vouchers screen.
4. In the IDIS ACTIVITY ID field, enter **1** and click the [Search] button to display the search results.
5. Locate the line item that reflects the repaid funds (it will be a negative amount) and click the Maintain-Approve Voucher link in the last column.
6. On the next screen, click the Revise link in the last column to display the Revise Voucher Line Item screen.

7. Scroll down to the Revise Funds to Another Activity box. In IDIS ACTV ID, enter the activity ID for which the funds were originally drawn. In the AMOUNT field, enter a minus sign followed by the amount to be "undrawn" (it need not be the entire returned amount). Example: If \$10,000 was drawn for activity 1234 and then repaid because the activity was ineligible, type **1234** in IDIS ACTV ID and **-10,000** in AMOUNT. Click the [Save] button.
8. Continue revising drawdowns associated with the returned funds as needed, or to \$0.
9. Once the voucher has been revised, defund the activity for which the funds were returned, and then change the activity status to **Canceled**.

If the collection is not to be applied as EN funds, the funds must be applied to activities manually. To have the manual change made, please contact "Ask A Question" through the OneCPD Resource Exchange website at: <https://www.onecpd.info/ask-a-question/>. Be sure to provide the voucher number for the collection, the activities to which the collection is to be applied, and the amount to be applied to each activity. If any of the activities has draws from multiple fund types or organizations (such as a CHDO), the amount that is to be applied to each fund type or organization must also be provided.