

# Memorandum

## CDBG Policy Guidance

Date: May 20, 2015

Policy: 15-01

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SC Department of Commerce, Grants Administration, 1201 Main Street, Suite 1600, Columbia, SC 29201  
[www.sccommerce.com](http://www.sccommerce.com)

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Subject: Change in financial management policies  
Resource: SC CDBG Implementation Manual  
Chapter 3 – Financial Management

We have revised our policy regarding the following:

**1. Timely expenditure of advanced funds**

In the past our policy has stated that funds had to be disbursed as soon as administratively feasible, which was interpreted as three (3) working days of receipt. Effective immediately, funds must be disbursed in a timely manner. For monitoring purposes, ten (10) or fewer working days will be considered “a timely manner”.

**2. Interest earned on advanced funds**

With 2 CFR Part 200 being issued that supersedes prior federal regulations, the amount of interest earned on advanced funds that can be retained by the recipient for administrative expenses has increased from \$100 to \$500 annually.

The Financial Management chapter of the CDBG Implementation Guidelines has been updated to reflect this change. References to timely expenditure of advanced funds have also been changed in the Procurement and Contracting Chapter and the Subrecipient Agreement. As always, please consult [www.cdbgSC.com](http://www.cdbgSC.com) for the most current information and forms. If you have any questions, please call Carolyn Smith at 803-737-1864.

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**This policy memorandum updates the Community Development Block Grant Program and becomes effective immediately unless otherwise stated. The program documents located on the SC Department of Commerce website have the most up to date policies of the CDBG program.**

<http://www.cdbgSC.com>

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