



Division of Community Assistance

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BULLETIN 95-1

DATE: June 1, 1995
TO: CDBG Recipients
SUBJECT: Administrative Increases

This Bulletin replaces 87-3. It sets the guidelines recipients must address when requesting a change in the administrative or planning budget. The sum of funds to be used for project administration and planning may never exceed 18% of the total CDBG project budget.

- I. Administrative Budget Changes Without Prior Approval from the Division of Community Assistance.
 1. Recipients with budgeted administrative and planning funds may transfer funds between these two line items as necessary. No increase in the administrative and planning funds may result from the transfer. The Division of Community Assistance (DCA) must be notified of any changes.
 2. Recipients may transfer funds from planning or administration to any other activity provided an amendment is not required under .0910. DCA must be informed of the change.
- II. Administrative Budget Changes With Prior Approval from DCA

Prior DCA approval is required to increase the sum of the planning and administrative line items of pre-1994 Community Revitalization grants and other category grants administered by DCA. Grantees should provide the following information to DCA when requesting to increase the sum of planning and administrative line items:

1. Original level of program administration and planning line items, the activities undertaken and the system for charging activity administration;
2. Problems necessitating the increase;
3. Description of the project activities to be completed and the plan for completion of these activities;
4. The amount of increase and the total amount of funds to be used for project administration and planning;
5. The budget line item(s) from which funds are proposed to be transferred and impact to those activities if funds are reduced.

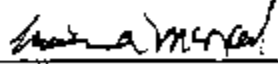
III. Administrative Budget Changes That Will Not Be Approved by DCA

Administrative and planning line items for 1994 and post-1994 Community Revitalization grants may not be increased. Community Revitalization grants made in 1994 and after received bonus points in the competitive rankings for projected administration and planning costs lower than 18%. Consequently, administration and planning increases would unfairly prejudice non-winners, and will not be approved by DCA.

Correspondence requesting an increase in project administration and planning line items should be transmitted to DCA by the chief elected official.

If you have any questions concerning this bulletin, please contact your CDBG representative.

Issued by:


William A. McNeil, Director
Division of Community Assistance

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