



Office of Community Development
59 Statehouse Station
Augusta, Maine 04333

POLICY STATEMENT #6

Subject: Weekly Drawdown Processing, General Fund Accounts & 5 Day \$5,000 Rule

Revised: 02/14

All drawdowns (requests for payment) **must** be submitted electronically using the Excel workbook and password issued to the community by OCD. Workbooks are to be e-mailed to OCD.drawdown@maine.gov. Enter the name of the community and the draw down number in the subject line. For example "Belfast Drawdown #1." Drawdowns will only be accepted from the pre-authorized e-mail address of the Municipal Financial Officer.

Drawdowns received electronically by 6:00AM on each Wednesday will be processed for that week. Drawdowns not received by this time will be held over for processing until the next week. Plan on at least 12 days from the Wednesday of processing to the community's receipt of funds.

All funds drawn from the State Community Development Block Grant (CDBG) program must be deposited in the community's general fund account. OCD requires that CDBG funds must be directly deposited through Electronic Funds Transfer (EFT) into that general fund account. During the life of the contract, the community must track interest earned on the CDBG funds deposited in the general fund account. **Interest earned in excess of \$100.00 must be returned to OCD immediately. This does not apply for reimbursement of local funds expended on CDBG activities.** The only exception to this requirement is for housing rehabilitation activities, where once a rehab contract is signed with the homeowner, a reasonable amount of the contract may be requested from the State and deposited in an interest bearing escrow account.

For all activities other than Housing Rehabilitation and Administration (see 5 Day Rule below), moneys can only be requested from the State as costs are incurred.

The 5 – day, \$5,000 rule

Any request for payment your community submits must be for an amount equal to invoices received for work completed, the immediate future need for administrative funds and the immediate future needs for housing rehabilitation activities. The amount of anticipated administration funds requested cannot exceed \$5,000 per drawdown. Funds drawn down under the administration line must **only** be expended for administrative expenses. In addition, this policy statement requires that CDBG funds must not remain in your bank account for longer than 5 business days, except in the case of administrative funds. If your community cannot meet the 5 day-\$5,000 rule, contact your Development Program Manager by telephone and follow up with correspondence giving the specifics of why the violation occurred, and when the funds will be expended.

If you have any questions concerning this information, please contact the Office of Community Development at 624-7484.